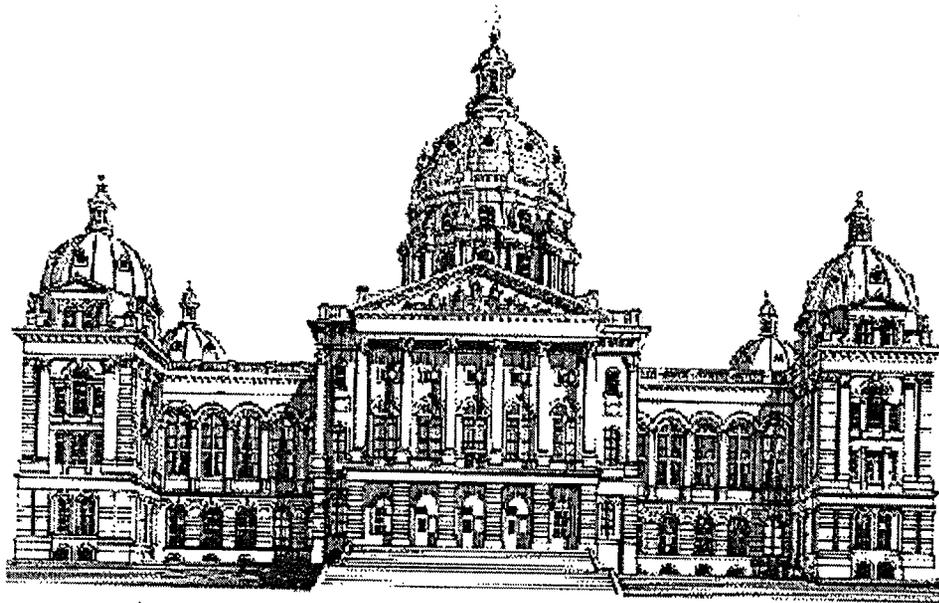


**STATE OF IOWA
SUMMARY OF FY 1997 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



**Legislative Fiscal Bureau
January 1996**

FOREWORD



The purpose of this document is to provide the General Assembly with information concerning FY 1997 General Fund estimated receipts and departmental requests and Governor's recommendations. This information provides an overall summary of the State Budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.

The emphasis of this document is to provide an overview of the General Fund, including revenues, expenditures, and FTE positions to all members of the General Assembly. The Legislative Fiscal Bureau (LFB) will have detailed budget documents for each Appropriations Subcommittee containing an overview and analysis of departmental budgets and Governor's recommendations. The Appropriations Subcommittees can use the documents for consideration of the FY 1997 budget.

Beginning with the 1996 Legislative Session, the LFB has started a project containing a series of computer programs to allow legislators and legislative staff on-line access to several LFB products. The explanation and list of products are detailed in Appendix E entitled Electronic Publishing of Information. A logo has been designed to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.



If you need additional detail information regarding a departmental request or Governor's recommendation, Appendix F contains a list of LFB staff members. The individual analysts have the detail information concerning each request.



Questions concerning this document should be directed to Dennis Prouty, LFB Director, (515) 281-5279.

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DOCUMENT NOTES

WHEN REVIEWING THIS DOCUMENT, PLEASE NOTE THE FOLLOWING:

Section 8.35A (2) Code of Iowa, requires the Department of Management (DOM) to transmit the Governor's recommendation to the Legislative Fiscal Bureau (LFB) by January 1 or no later than the date the Governor's budget document is delivered to the printer. The information in this document is based upon the January 4 budget tape received by the LFB. Other items worth noting when reviewing this document include:

- The FTE position figures in the subcommittee historical funding tables are FTE positions funded with all funds, not just the General Fund. The FTE positions are estimated for FY 1996.
- Revenue and expenditures are estimated for FY 1996 and FY 1997.
- FY 1995 data includes supplemental appropriations and salary adjustments, but not appropriation transfers or reversions. FY 1996 and FY 1997 data do not include supplemental appropriations, salary adjustments, appropriation transfers, or reversions.
- Any significant federal funds reforms have not been included in the department requests or the Governor's recommendations. Once final budget decisions are made by Congress, the Governor may revise some of the General Fund recommendations.
- During the 1993 Legislative Session the General Assembly adopted SF 268 (Iowa Invests Program) which created the Iowa Council on Human Investment. The Council was charged with several tasks including the development of a performance-based budgeting format. As a result of the Council's efforts a Budgeting for Results Pilot Project has been developed.
- **Appendix A** is a General Fund appropriations tracking document by appropriations subcommittee.
- **Appendix B** is a listing of the projected FY 1997 built-in increases and decreases from FY 1996.
- **Appendix C** is a glossary of budget terms.
- **Appendix D** contains a listing of the *Issue Reviews* completed by the LFB during the 1995 Interim.



- **Appendix E** contains an explanation and list of products available through the LFB's Electronic Publishing of Information. A logo has been designed to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.
- **Appendix F** contains the LFB staff listing.



1996 IOWA LEGISLATIVE SESSION TIMETABLE

(If legislative rules remain unchanged)

- **January 8** - First day of Session.
- **January 19** - Final day for individual requests for bill drafts to be submitted to the Legislative Service Bureau.
- **March 1** - Final day for House bills to be reported out of House committees and Senate bills out of Senate committees.
- **March 4-8** - House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- **March 22** - Final day for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees.
- **March 25-29** - House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- **April 1** - Amendments need not be filed on the day preceding floor debate.
- **April 1** - Only the following bills are eligible for consideration:
 - Appropriations bills
 - Ways and Means bills
 - Legalizing Acts
 - Co-sponsored by Majority and Minority Leaders
 - Companion bills sponsored by House and Senate Majority Leaders
 - Conference Committee Reports
 - Bills passed by both Houses in different forms
 - Concurrent or Simple Resolutions
 - Bills on the Veto Calendar
 - Administrative Rules Review Committee bills
 - Joint resolutions nullifying Administrative Rules
 - Unfinished business
- **April 16** - 100th day of the Session.



EXPENDITURE LIMITATION ACCOUNTS

CASH RESERVE FUND (CRF)

- The Cash Reserve Fund Account requires a balance of 5.0% of adjusted revenue estimate for the General Fund.
- The year-end General Fund surplus (ending balance) is appropriated to the Cash Reserve Fund.
- Interest on moneys deposited in the Fund are credited to the Rebuild Iowa Infrastructure Fund.
- Moneys in the Cash Reserve Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund are allowed if:
 - The appropriation is for a non-recurring emergency expenditure.
 - Funding is contained in a bill or resolution in which the appropriation is the only subject matter.
 - The appropriation is approved by 50.0% of the members of both chambers and the Governor if the Fund is not reduced to below 3.0%. Approval of 60.0% of the members of both chambers and the Governor is required if the Fund is to be reduced below 3.0% of the adjusted General Fund revenue estimate.



The Governor is recommending that the spending requirements for the Cash Reserve Fund be expanded such that a two-thirds majority of both chambers of the General Assembly and the Governor's signature be required for any appropriation that would reduce the Fund to less than 5.0% of adjusted General Fund revenues.

GAAP DEFICIT REDUCTION ACCOUNT (GAAP)

- The GAAP Account receives the amount of Cash Reserve Fund moneys in excess of the required balance.
- The Department of Management must annually file with both houses of the General Assembly a schedule of the items for reducing the GAAP deficit.
- Moneys which exceed the amounts required to retire the GAAP deficit are appropriated to the Economic Emergency Fund.

IOWA ECONOMIC EMERGENCY FUND (EEF)

- The maximum balance of the Economic Emergency Fund Account is 5.0% of adjusted revenue estimate for the General Fund. If the amount of moneys is equal to the required 5.0%, the excess is transferred to the General Fund.
- Interest on moneys deposited in the Economic Emergency Fund are credited to the Rebuild Iowa Infrastructure Fund.
- Moneys in the Economic Emergency Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund require approval of a majority of the members of both chambers and the Governor's signature for an emergency expenditure.



REBUILD IOWA INFRASTRUCTURE FUND (RIIF)

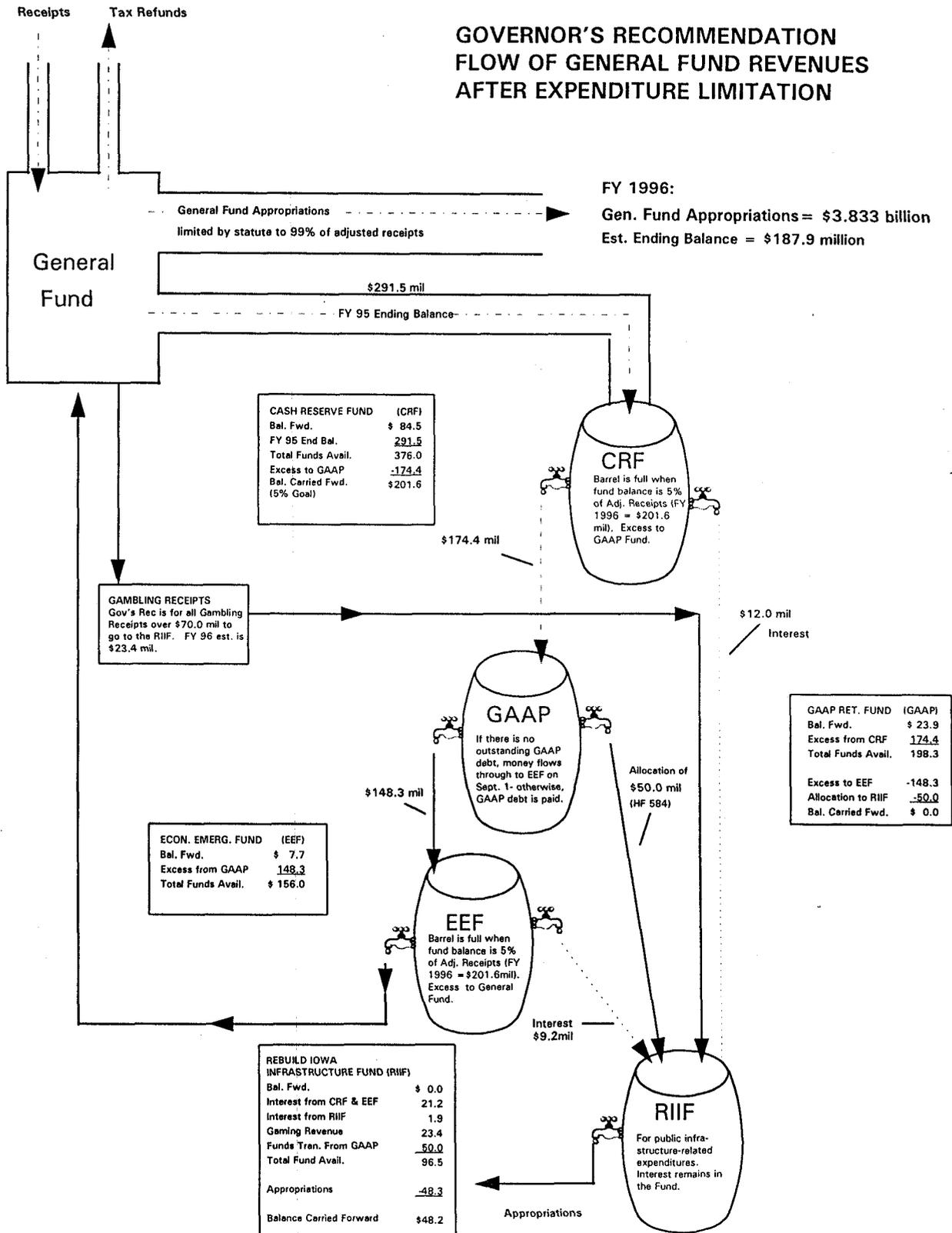
- Funds in the Rebuild Iowa Infrastructure Fund Account shall be used for public infrastructure-related expenditures.
- Interest on moneys deposited in the Cash Reserve Fund and the Economic Emergency Fund are credited to the Rebuild Iowa Infrastructure Fund.
- The General Assembly may provide that all or part of the moneys deposited in the GAAP Account may be transferred to the Rebuild Iowa Infrastructure Fund Account instead of the Economic Emergency Fund Account.



The Governor is recommending that all racing and gaming receipts in excess of \$70.0 million be transferred to the Rebuild Iowa Infrastructure Fund. This would result in an additional \$23.4 million to the Fund in FY 1996 and FY 1997, based on the latest REC estimate of racing and gaming receipts.

The following flowchart illustrates the flow of General Fund revenues after expenditure limitation.

GOVERNOR'S RECOMMENDATION FLOW OF GENERAL FUND REVENUES AFTER EXPENDITURE LIMITATION



STATE OF IOWA
Flow of General Fund Revenues After Expenditure Limitation
(Dollars in Millions)

CASH RESERVE FUND (CRF)	Actual FY 1995	Estimated FY 1996	Estimated FY 1997
Balance Brought Forward	\$ 35.2	\$ 84.5	\$ 201.6
Estimated Revenues:			
General Fund Ending Balance	91.0	291.5	187.9
Racing and Gaming Revenue	<u>18.1</u>	<u>0.0</u>	<u>0.0</u>
Total Funds Available	144.3	376.0	389.5
Excess Transferred to GAAP Retirement	<u>- 59.8</u>	<u>- 174.4</u>	<u>- 183.2</u>
Balance Carried Forward	<u>\$ 84.5</u>	<u>\$ 201.6</u>	<u>\$ 206.3</u>

GAAP DEFICIT REDUCTION ACCOUNT (GAAP)	Actual FY 1995	Estimated FY 1996	Estimated FY 1997
Balance Brought Forward	\$ 13.2	\$ 23.9	\$ 0.0
Estimated Revenues:			
Excess Transferred from CRF	59.8	174.4	183.2
Use Tax Revenue	<u>38.7</u>	<u>0.0</u>	<u>0.0</u>
Total Funds Available	111.7	198.3	183.2
GAAP Appropriation Buy-back	- 87.8		
Excess Transferred to RIIF		- 50.0	
Excess Transferred to EEF		<u>- 148.3</u>	<u>- 183.2</u>
Balance Carried Forward	<u>\$ 23.9</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

IOWA ECONOMIC EMERGENCY FUND (EEF)	Actual FY 1995	Estimated FY 1996	Gov Rec FY 1997
Balance Brought Forward	\$ 3.2	\$ 7.7	\$ 156.0
Estimated Revenues:			
Excess from GAAP		148.3	183.2
Interest	4.5		
Total Funds Available	7.7	156.0	339.2
Excess Over 5% Transferred to the General Fund			- 132.9
Balance Carried Forward	<u>\$ 7.7</u>	<u>\$ 156.0</u>	<u>\$ 206.3</u>

REBUILD IOWA INFRASTRUCTURE FUND (RIIF)	Actual FY 1995	Gov Rec FY 1996	Gov Rec FY 1997
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 48.2
Estimated Revenues:			
Interest from CRF & EEF		21.2	22.6
Interest from RIIF		1.9	3.8
Funds Transferred from GAAP		50.0	
Gaming Revenues		23.4	23.4
Total Funds Available		96.5	98.0
Appropriations		- 48.3	- 98.0
Balance Carried Forward	<u>\$ 0.0</u>	<u>\$ 48.2</u>	<u>\$ 0.0</u>



FY 1997 REVENUE ESTIMATES

State General Fund revenues are estimated by a three-member Revenue Estimating Conference (REC) which meets at least quarterly. Members are the Director of the Legislative Fiscal Bureau (Dennis Prouty), the Governor or the Governor's designee (Gretchen Tegeler, Director of the Department of Management, (DOM)), and a third member agreed to by the other two members. The third member, Darryl Hansen, is President and Chief Operating Officer of Norwest Bank Iowa, N.A., and has served on the REC since August 1994. The REC was created by statute in 1987 during government reorganization.

The December estimate is required to be used by the Governor in the preparation of the budget message and by the General Assembly in the budget process. If the April estimate reduces the December revenue estimate, the Governor must adjust the budget recommendations to account for the reduction in revenue. If the REC increases the April estimate above the December figure, the Governor and General Assembly shall continue to use the lower projection established in December.



On December 12, 1995, the REC estimated FY 1997 total State General Fund revenues at \$4.490 billion. This reflects growth in revenue of \$134.0 million (3.1%) compared to estimated FY 1996.

The statutory limitation on expenditures is 99.0% of the adjusted revenue estimate.

STATE OF IOWA
Projected Condition of the General Fund
(Dollars in Millions)

	<u>Fiscal Year 1996</u>		<u>Fiscal Year 1997</u>	
	<u>Governor's Recomm.</u>	<u>Current Law</u>	<u>Governor's Recomm.</u>	<u>Current Law</u>
<i>Estimated Funds Available:</i>				
Estimated Receipts				
Revenue Est. Conference	\$ 4,356.0	\$ 4,356.0	\$ 4,490.0	\$ 4,490.0
Excess from Economic Emergency Fund			132.9	167.1
Revenue Adjustments (Exh. 1)	-23.4		-49.5	
Transfers (Exh. 1)	47.4	47.4	45.4	5.0
Total Receipts	<u>4,380.0</u>	<u>4,403.4</u>	<u>4,618.8</u>	<u>4,662.1</u>
Tax Refunds	- 358.6	- 358.6	- 362.3	- 362.3
Accruals	10.2	10.2	2.7	2.7
<i>Total Funds Available</i>	<u>4,031.6</u>	<u>4,055.0</u>	<u>4,259.2</u>	<u>4,302.5</u>
<i>Expenditure Limitation</i>			\$ 4,217.9	\$ 4,261.1
<i>Estimated Appropriations:</i>				
General Fund	3,840.4	3,840.4	4,050.9	
Supplemental Appropriations (Exh. 1)	10.8			
Reversions	- 7.5	- 7.5	- 7.5	
<i>Net Appropriations</i>	<u>3,843.7</u>	<u>3,832.9</u>	<u>4,043.4</u>	<u>0.0</u>
<i>Ending Balance prior to Cash Reserve Transfer</i>	<u>\$ 187.9</u>	<u>\$ 222.1</u>	<u>\$ 215.8</u>	<u>\$</u>

Exhibit 1

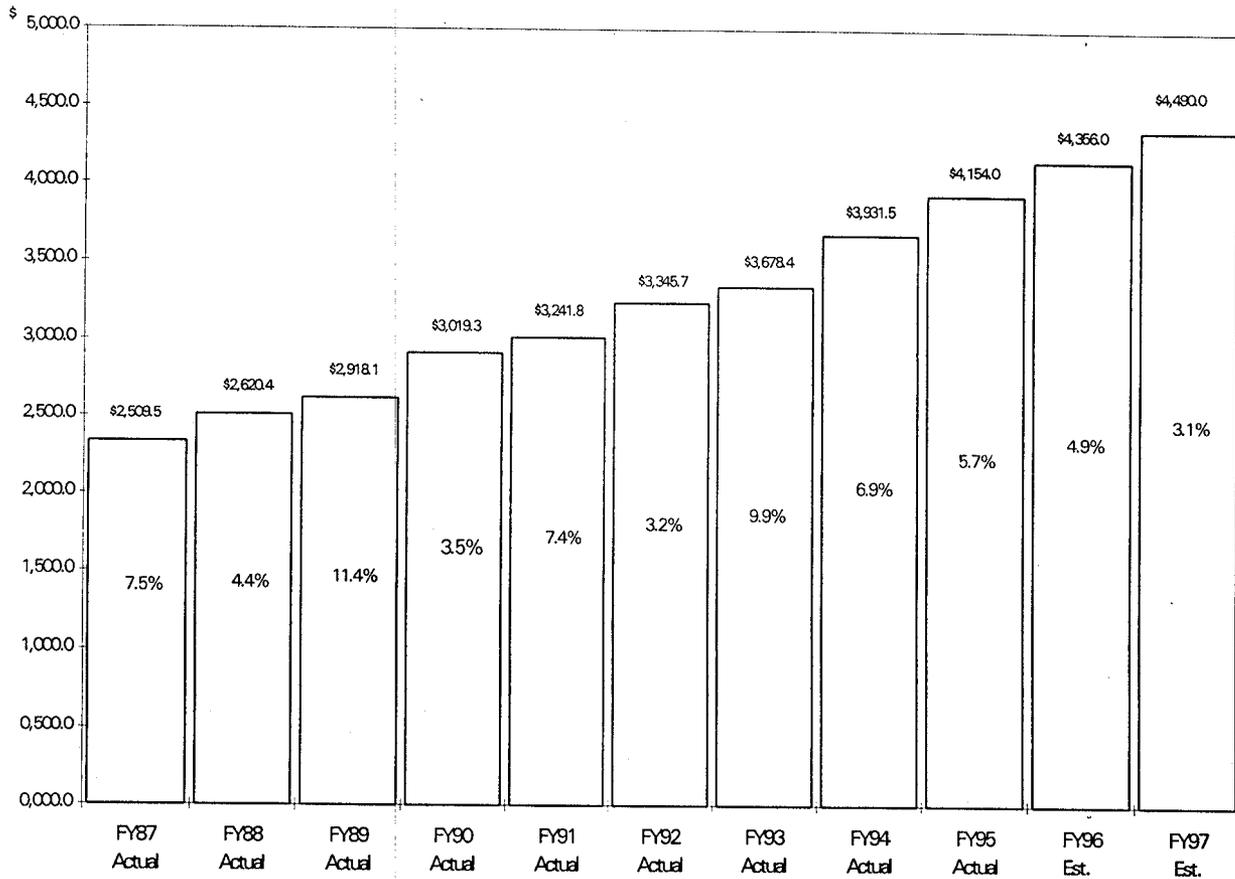
	Fiscal Year 1996		Fiscal Year 1997	
	Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
Revenue Adjustments				
Inheritance Tax	\$	\$	\$ - 8.9	\$
Subchapter S Corporations			- 8.0	
Income Tax Indexation			- 5.0	
Gaming Revenues above \$70 million to Infrastructure Fund	- 23.4		- 23.4	
Waste Tire/Vehicle Title Surcharge			- 1.0	
New Jobs Income Program:				
Research & Development			- 0.3	
Sales Tax Exemption			- 2.6	
Tuition Tax Credit			- 0.4	
Riverboat Regulation			0.1	
Utilities Study			0.1	
Military Tax Exemption			- 0.1	
Total Revenue Adjustments	<u>\$ - 23.4</u>	<u>\$ 0.0</u>	<u>\$ - 49.5</u>	<u>\$ 0.0</u>
Transfers				
Lottery Proceeds	\$ 42.2	\$ 42.2	\$ 40.4	\$
Marine Fuel Tax Revenues	2.4	2.4	2.4	2.4
Indirect Cost Transfers	2.1	2.1	2.1	2.1
Miscellaneous	0.7	0.7	0.5	0.5
Total Cash Transfers	<u>\$ 47.4</u>	<u>\$ 47.4</u>	<u>\$ 45.4</u>	<u>\$ 5.0</u>
Supplemental Appropriations				
Community Economic Betterment Account	\$ 2.1			
Indigent Defense	6.4			
Domestic Tourism	2.0			
Revenue & Finance	0.1			
Pari Mutuel	0.1			
General Services - Utilities	0.1			
Total Supplemental Appropriations	<u>\$ 10.8</u>	<u>\$ 0.0</u>		

STATE OF IOWA
Calculation of Statutory Expenditure Limit
(Dollars in Millions)

<u>Fiscal Year 1997</u>	Governor's Recommendation		
	<u>Current</u>	<u>New</u>	<u>Total</u>
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
Revenue Estimate per Revenue Estimating Conference	\$ 4,490.0	\$ 0.0	\$ 4,490.0
Refund of Taxes	- 362.3		- 362.3
Accrued Revenue Changes	2.7		2.7
Transfers	45.4		45.4
Total	<u>4,175.8</u>	<u>0.0</u>	<u>4,175.8</u>
Revenue Adjustments:			
Inheritance Tax	- 8.9		- 8.9
Subchapter S Corporations	- 8.0		- 8.0
Income Tax Indexation	- 5.0		- 5.0
Gambling Revenues above \$70.0 million	- 23.4		- 23.4
Waste Tire/Vehicle Title Surcharge	- 1.0		- 1.0
New Jobs Income Program:			0.0
Research and Development	- 0.3		0.0
Sales Tax Exemption	- 2.6		- 2.6
Tuition Tax Credit	- 0.4		- 0.4
River Boat Regulation		0.1	0.0
Utility Study		0.1	0.1
Military Tax Exemption	- 0.1		- 0.1
Total Revenue Adjustments	<u>- 49.7</u>	<u>0.2</u>	<u>- 49.5</u>
Funds Subject to Expenditure Limit Calculation	4,126.1	0.2	4,126.3
Applicable Limit Percentage	99%	95%	
Funds after Expenditure Limit Calculation	4,084.8	0.2	4,085.0
Economic Emergency Fund Excess	132.9		132.9
Total Amount of Expenditure Limit	<u>\$ 4,217.7</u>	<u>\$ 0.2</u>	<u>\$ 4,217.9</u>

GENERAL FUND RECEIPTS AND PERCENT OF GROWTH FY 1987 - FY 1997

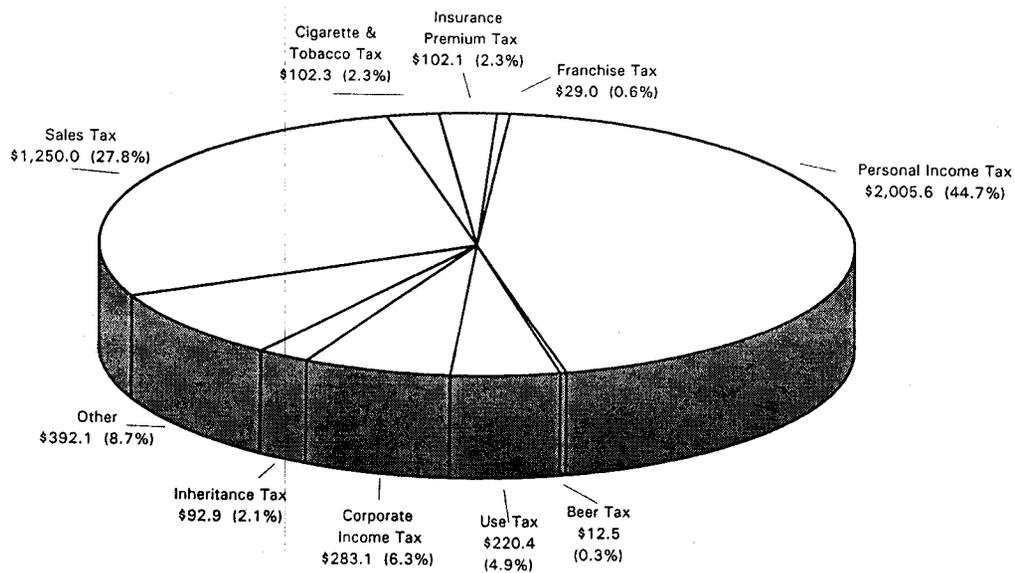
(Dollars in Millions)



Note: FY 1996 and FY 1997 figures as estimated by the December 12, 1995, Revenue Estimating Conference.

FY 1997 ESTIMATED GENERAL FUND RECEIPTS

(Dollars in Millions)



Total: \$4.490 billion

As Estimated by the December 12, 1995, Revenue Estimating Conference

FY 1995 - FY 1997 REVENUE PROJECTION FOR THE GENERAL FUND

(Dollars in Millions)

<u>Tax Source</u>	<u>FY 1995 Actual</u>	<u>FY 1996 Estimated</u>	<u>% Change from FY 1995 Actual</u>	<u>FY 1997 Estimated</u>	<u>% Change from FY 1996 Estimated</u>
Personal Income Tax	\$ 1,875.0	\$ 1,939.0	3.4 %	\$ 2,005.6	3.4 %
Sales Tax	1,147.3	1,205.9	5.1	1,250.0	3.7
Use Tax	196.0	210.0	7.1	220.4	5.0
Corporate Income Tax	268.7	273.1	1.6	283.1	3.7
Inheritance Tax	89.2	90.9	1.9	92.9	2.2
Insurance Premium Tax	102.1	101.0	-1.0	102.1	1.1
Cigarette Tax	93.3	94.0	0.8	97.0	3.2
Tobacco Tax	5.1	5.2	3.0	5.3	1.9
Beer Tax	12.4	12.5	0.6	12.5	0.0
Franchise Tax	28.9	29.4	1.7	29.0	-1.4
Miscellaneous Tax	1.0	0.9	-9.7	0.9	0.0
Total Special Taxes	<u>\$ 3,819.0</u>	<u>\$ 3,961.9</u>	<u>3.7 %</u>	<u>\$ 4,098.8</u>	<u>3.5 %</u>
 Other Receipts					
Institutional Payments	\$ 107.4	\$ 107.2	-0.2 %	\$ 105.0	-2.1 %
Liquor Transfers					
A. Profits	26.4	26.5	-0.6	26.5	0.0
B. 7% Gross Revenues	9.0	9.0	0.0	9.0	0.0
Interest	17.3	12.0	-30.8	13.0	8.3
Fees	57.3	61.8	7.8	62.1	0.5
Judicial Revenue	48.4	40.1	-17.2	40.1	0.0
Miscellaneous Receipts	40.7	44.1	8.3	42.1	-4.5
Racing and Gaming	28.5	93.4	227.7	93.4	0.0
Total Receipts	<u>\$ 4,154.0</u>	<u>\$ 4,356.0</u>	<u>4.9 %</u>	<u>\$ 4,490.0</u>	<u>3.1 %</u>

Note: FY 1996 and FY 1997 were estimated by the Revenue Estimating Conference on December 12, 1995. The revenues do not reflect transfers, refunds, or accruals.

GOVERNOR'S FY 1997 GENERAL FUND RECOMMENDATION

The Governor's FY 1997 General Fund budget recommendation is \$4.051 billion, an increase of \$210.5 million (5.5%) compared to estimated FY 1996. The Governor is recommending:

- A FY 1996 ending General Fund balance of \$187.9 million. The Governor is recommending dedicating gambling revenue in excess of \$70.0 million to the Iowa Infrastructure Fund beginning in FY 1996. This amount is estimated to be \$23.4 million for FY 1996. In addition, the Governor is recommending \$10.8 million in FY 1996 supplemental appropriations. 
- The FY 1996 ending balance transferred to the Cash Reserve Fund will meet and exceed the 5.0% requirement of the Cash Reserve Fund and the 5.0% requirement of the Economic Emergency Fund. The Governor's FY 1997 budget includes \$132.9 million excess transferred from the Economic Emergency Fund to the General Fund.
- Funding for the following programs passed by the 1995 Legislature:
 - School Aid Allowable Growth of 3.3% - \$56.8 million
 - Mental Health Property Tax Replacement - \$17.0 million
 - Iowa State Patrol to the General Fund - \$9.0 million
 - Machinery and Equipment Property Tax Replacement - \$5.7 million
- A Property Tax Replacement Program with a FY 1997 cost of \$14.1 million and Tax Reduction Program with an estimated FY 1997 reduction to revenues of \$21.9 million.
- A \$25.2 million reduction in spending from the FY 1996 budget. The decrease includes various program reductions estimated by the Governor to be \$11.8 million and one time spending reductions estimated to be \$4.5 million. The Legislative Fiscal Bureau has requested additional detail on the Governor's proposed spending reductions. 
- An estimated FY 1997 ending General Fund balance prior to a transfer to the Cash Reserve Fund of \$215.8 million.

Table 1 lists the General Fund increases and decreases of \$1.0 million or more recommended by the Governor for FY 1997.

Table 1
Governor's Major General Fund Decreases/Increases
Recommendations

<u>DEPARTMENT</u>	<u>APPROPRIATION</u>	<u>ESTIMATED</u> <u>FY 1996</u>	<u>GOVERNOR'S</u> <u>REC.</u> <u>FY 1997</u>	<u>DIFFERENCE</u> <u>GOV. REC.</u> <u>V. FY 1997</u>	<u>% CHANGE</u> <u>GOV. REC.</u> <u>V. FY 1996</u>
Executive Council	Performance of Duty	\$ 4,200,000	\$ 500,000	\$ -3,700,000	-88.1%
Human Services	Woodward Hospital School	30,652,048	26,959,124	-3,692,924	-12.0%
Telecommunication & Techn.	Network Operations	4,671,400	2,400,000	-2,271,400	-48.6%
Economic Development	Wallace Tech. Foundation	1,957,270	0	-1,957,270	-100.0%
Human Services	Cherokee Mental Health Inst.	15,183,921	13,581,308	-1,602,613	-10.6%
Human Services	Glenwood Hospital School	36,176,191	35,070,700	-1,105,491	-3.1%
Telecommunication & Techn.	Revolving Fund	1,000,000	0	-1,000,000	-100.0%
	<i>Total Decreases Over \$1 million</i>	<u>\$ 93,840,830</u>	<u>\$ 78,511,132</u>	<u>\$ -15,329,698</u>	
Education	School Foundation Aid	\$ 1,330,918,568	\$ 1,398,280,777	\$ 67,362,209	5.1%
Management	Salary Adjustment	3,286,338	27,078,348	23,792,010	724.0%
Revenue & Finance	MH Property Tax Relief	61,000,000	78,000,000	17,000,000	27.9%
Human Services	Medical Assistance	351,496,521	366,687,988	15,191,467	4.3%
Education	Technology - School Improvement	0	15,000,000	15,000,000	100.0%
Education	Allow Growth - Property Tax	0	14,059,219	14,059,219	100.0%
Public Safety	Iowa State Patrol	0	9,000,000	9,000,000	100.0%
Inspections & Appeals	Indigent Defense Approp	11,751,800	17,475,074	5,723,274	48.7%
Revenue & Finance	Machinery/Equip Property Tax Rep.	0	5,700,000	5,700,000	100.0%
Judicial Branch	Judicial Branch	88,869,478	94,134,983	5,265,505	5.9%
Corrections	Newton Institution	5,777,024	10,233,775	4,456,751	77.1%
Education	Community Colleges - General Aid	120,871,270	124,871,270	4,000,000	3.3%
Corrections	Clarinda Institution	10,964,214	14,467,836	3,503,622	32.0%
College Student Aid	Tuition Grant Program	35,664,750	38,664,750	3,000,000	8.4%
Economic Development	Strategic Investment Fund	5,606,502	7,731,151	2,124,649	37.9%
Regents	University of Iowa - General Univ.	200,666,563	202,702,328	2,035,765	1.0%
Human Services	Family Investment Program	32,820,032	34,787,255	1,967,223	6.0%
Regents	Iowa State - General Univ.	159,428,645	161,084,066	1,655,421	1.0%
Inspections & Appeals	Public Defender	9,171,815	10,681,867	1,510,052	16.5%
Natural Resources	Dept. Natural Resources - Operations	12,683,550	13,893,333	1,209,783	9.5%
Human Services	Child Care Services	7,740,000	8,947,100	1,207,100	15.6%
Economic Development	Housing Dev. Assistance	100,000	1,300,000	1,200,000	1200.0%
Natural Resources	R.E.A.P. Fund Standing	8,000,000	9,000,000	1,000,000	12.5%
	<i>Total Increases Over \$1 million</i>	<u>\$ 2,456,817,070</u>	<u>\$ 2,663,781,120</u>	<u>\$ 206,964,050</u>	
	Total Other Changes	\$ 1,289,757,888	\$ 1,308,582,456	\$ 18,824,568	
	Grand Total	<u>\$ 3,840,415,788</u>	<u>\$ 4,050,874,708</u>	<u>\$ 210,458,920</u>	5.5%



The Governor's FY 1997 General Fund recommendations are listed in Table 2 by Appropriations Subcommittee. Details of the recommendations are included in the FY 1997 Budgets and Subcommittee Issues Section of this document.

Table 2
Governor's FY 1997 General Fund Recommendations
(Dollar in millions)

<u>Subcommittee</u>	Est. FY 96	Gov. Rec. FY 97	FY 97 vs FY 96
Administration & Regulation	\$ 86.6	\$ 112.0	\$ 25.4
Agriculture & Natural Resources	44.8	46.4	1.6
Economic Development	34.6	37.6	3.0
Education	795.0	805.4	10.4
Health & Human Rights	82.2	84.0	1.7
Human Services	724.8	740.5	15.7
Justice System	303.5	336.9	33.4
Trans, Infrastructure, & Capitals	5.6	5.7	0.1
Unassigned Standings	<u>1,763.2</u>	<u>1,882.3</u>	<u>119.1</u>
TOTAL	<u><u>\$3,840.4</u></u>	<u><u>\$4,050.9</u></u>	<u><u>\$ 210.5</u></u>

Note: The dollar amounts have been rounded.

The Governor's FY 1996 General Fund supplemental recommendations are listed in Table 3.

Table 3
Governor's FY 1996 Supplemental General Fund Recommendations

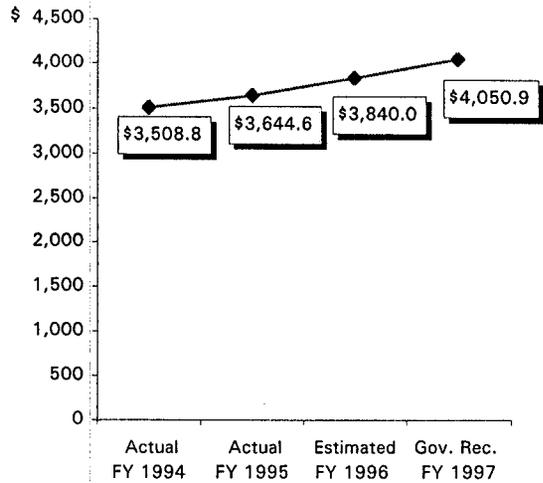
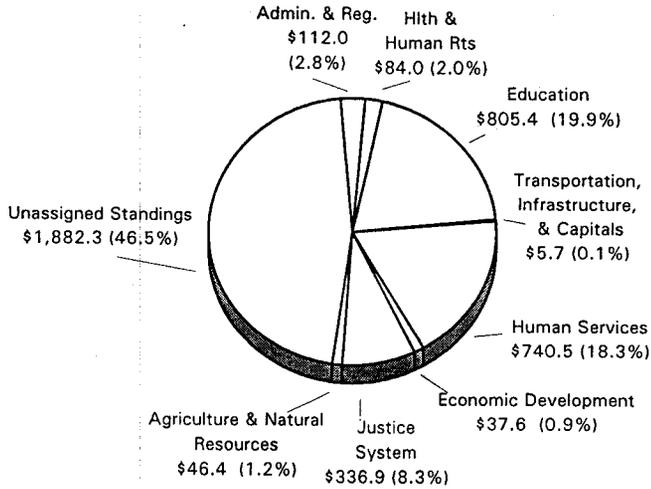
<u>Department</u>	<u>Supplemental</u>	<u>Gov. Rec. FY 96</u>
General Services	Utilities	\$ 55,000
Revenue & Finance	Technology Funding	104,000
Inspection & Appeals	Racing Regulation	147,000
Economic Development	Tourism	2,000,000
Economic Development	CEBA	2,100,000
Inspections & Appeals	Indigent Defense	6,400,000
		<u><u>\$ 10,806,000</u></u>

FY 1997 GENERAL FUND GOVERNOR'S RECOMMENDATIONS

Total FY 1997 Recommendations: \$4,050.9 million
(Dollars in Millions)



Note: The dollar amounts in the following chart have been rounded.



SALARIES AND COLLECTIVE BARGAINING

The State of Iowa completed negotiations with the five unions representing State employees for the salaries and benefits for FY 1996 and FY 1997 in the Spring of 1995.

The following table is a summary of the settlement for the five collective bargaining units. The total estimated cost of the FY 1997 collective bargaining agreements is \$39.0 million. Of the total, \$22.5 million is attributable to the Board of Regents and \$16.5 million is attributable to central state agencies. The Governor is recommending a \$27.0 million General Fund appropriation to cover the cost of collective bargaining increases. The following listing explains the difference between the estimated \$39.0 million need and the \$27.0 million appropriation.

The Governor is recommending several changes in the health insurance practices for central State employees.

1. The Governor recommends requesting proposals from private firms for the recovery of erroneous insurance payments. General Fund savings are estimated at \$3.0 million in FY 1997 and \$1.0 million each following year. The cost of a contract for the service may not be included within the savings calculation.
2. The Governor is recommending salary adjustment funds to State agencies be reduced by the amount of funding required if no more than 35.0% of employees were enrolled in Blue Cross Plan 3. General Fund savings are estimated at \$1.6 million in FY 1997. The Governor states that this will "...encourage all departments, agencies, and institutions in State government to engage in a thoughtful consideration of health insurance choices...". Currently, approximately 60.0% of employees are enrolled in an insurance plan more costly than Blue Cross Plan 3.
3. The Governor is recommending moving from a fee-for-service payment methodology for mental health and substance abuse services for State employees to a capitated payment system. This recommendation would remove mental health and substance abuse services from the current insurance contract. The vendor would be responsible for costs or profits if the actual claims were greater or less than the set amount. General Fund savings are estimated to be \$1.0 million in FY 1997.

The Governor is recommending buying down insurance rates with excess insurance reserves accumulated during prior insurance contracts. General Fund savings are estimated at \$3.0 million in FY 1997, with total savings (all funds) estimated at \$6.0 million.



The Governor is recommending carrying forward the \$3.3 million which remained from salary adjustment funds for FY 1996 to offset FY 1997 costs.

The Governor is recommending changes in Chapter 20, Code of Iowa, to allow an arbitrator to consider the wages of private employees doing comparable work in Iowa when making decisions concerning an award granted under the public employee collective bargaining process.

SALARY PROVISIONS AND COLLECTIVE BARGAINING SETTLEMENTS

FY 1997

Bargaining Unit	• Wages
American Federation of State, County, and Municipal Employees (AFSCME)	<ul style="list-style-type: none"> • 2.5% base pay increase on July 1, 1996. • Step increases for eligible employees. • \$300 payment on July 1, 1996, for employees at top step of range.
Iowa United Professionals (IUP)	<ul style="list-style-type: none"> • 2.5% base pay increase on July 1, 1996. • Step increases for eligible employees. • \$300 payment on July 1, 1996, for employees at top step of range.
State Police Officers Council (SPOC)	<ul style="list-style-type: none"> • Payment of \$728. • Step increases for eligible employees. • Step equalization.
Public Professional and Maintenance Employees (PPME)	<ul style="list-style-type: none"> • 2.5% base pay increase on July 1, 1996. • Step increases for eligible employees. • \$300 payment on July 1, 1996, for employees at top step of range.
Noncontract Staff	<ul style="list-style-type: none"> • 2.5% base pay increase on July 1, 1996. • Step increases for eligible employees. • \$300 payment on July 1, 1996, for employees at top step of range.
Regents General Services Staff	<ul style="list-style-type: none"> • 2.5% base pay increase on July 1, 1996. • Step increases for eligible employees. • \$300 payment on July 1, 1996, for employees at top step of range.
Regents Professional and Scientific and Faculty	<ul style="list-style-type: none"> • 4.0% base pay increase on July 1, 1996.
Judges, Statutory, and Department Heads	<ul style="list-style-type: none"> • 2.5% base pay increase on July 1, 1996. • Step increases for eligible employees.

MAJOR TAX CONSIDERATIONS

Many proposals affecting taxes and revenues have been recommended by the Governor or addressed by various interim committees of the General Assembly. The primary issues involve the State inheritance tax, school aid and property tax relief, property tax credits and incentives for value-added agriculture, adjustments to the phase-out of the property tax on machinery and equipment, and legislation related to the taxation of Subchapter S corporations.

INHERITANCE TAX

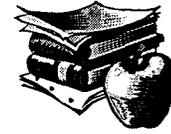
- The Iowa inheritance tax is levied on the beneficiaries of Iowa estates.
- Inheritance tax receipts are estimated to generate \$90.9 million in General Fund revenues in FY 1996. Of this amount, approximately 18.0% is due to a state death tax credit, or federal "pick-up".
- Assuming the pick-up were left intact, an outright repeal of the inheritance tax would result in a decrease in revenues to the General Fund of approximately \$75.0 million annually.
- Other alternatives include:
 - Increasing the amount that may be excluded from taxable inheritance. Increasing the exclusion for children and grandchildren to \$250,000 (currently \$50,000 for children; grandchildren have no exclusion) would result in a decrease in revenues to the General Fund of approximately \$7.7 million in FY 1997 and \$31.5 million in FY 1998 and subsequent fiscal years, assuming the change becomes effective July 1, 1996. This alternative was recommended by the Non-business Interim Tax Study Committee.
 - Expanding the definition of "children" to include step-children. Under current law, step-children are allowed an exclusion of \$12,500, and pay a higher rate once taxable inheritance is determined. This would lead to a decrease in revenues to the General Fund of an amount less than \$1.0 million annually.

The Governor is recommending that parents, children, and grandchildren be exempt from the inheritance tax. This action is estimated to result in a decrease in revenues to the General Fund of approximately \$8.9 million in FY 1997, and \$36.3 million in FY 1998 and subsequent fiscal years.



SCHOOL AID AND PROPERTY TAX RELIEF

- Property taxes can be reduced by modifying the school foundation aid formula. Modifying the following two items will increase state aid and decrease property taxes.



1. Lowering the \$5.40 uniform levy

- Using FY 1996 data, reducing the uniform levy by \$1.00 would increase state aid and reduce property taxes by \$76.6 million.
- All school districts' property tax rates would be reduced by \$1.00 except for a few reorganized school districts.
- The equity issue of property taxes in different school districts would not be addressed by lowering the \$5.40 levy.

2. Raising the foundation level

- Using FY 1997 assumptions, increasing the regular program foundation level by 1.0% would increase state aid and reduce property taxes by \$19.0 million. Increasing the special education foundation level by 1.0% would increase state aid and reduce property taxes by \$3.0 million.
 - Raising the foundation level reduces the additional levy, also known as the second effort levy.
 - Increasing the foundation level causes school districts' property tax rates to be reduced at varying rates. In general, low taxable valuation districts get a larger reduction in rates and high taxable valuation districts get a smaller reduction in rates.
 - By increasing the foundation level, the State pays for more of the cost per pupil. If the cost per pupil is increased by allowable growth and more pupils are added, the state pays the increased foundation level for the increased costs. In other words, the cost for raising the foundation level would increase each year where lowering the \$5.40 uniform levy would remain the same.
- Assumptions and additional details are available upon request.

The Governor is recommending the State fund 100.0% of allowable growth through FY 2001. The Governor has estimated this will reduce property taxes and increase state aid by \$14.1 million.



Under current law, allowable growth is split between state aid and property taxes. Allowable growth in the regular program is split 83.0% from state aid and 17.0% from property taxes. Allowable growth in special education is split 79.0% from state aid and 21.0% from property taxes. The allowable growth for Area Education Agencies' media and educational service will also be paid from state aid. Currently, all Area Education Agencies' media and educational service costs are paid from property taxes.

PROPERTY TAX CREDITS

The major property tax credits include the Homestead Tax Credit, Agricultural Land Tax Credit, Family Farm Tax Credit, Military Exemption, and various low-income elderly credits. The following table shows the amounts claimed by taxpayers and the amounts paid by the State, based on FY 1995 payments. For the Homestead, Military, and elderly credits, local governments pay the difference between the amount claimed and the State payment. For the agricultural credits, taxpayers receive pro-rated shares of the State payment.

LOCAL GOVERNMENT CLAIMS AND PAYMENTS

<u>FY 1995</u>	<u>Amount Claimed</u>	<u>Amount Paid by State</u>	<u>Additional Cost of Full State Funding</u>
Homestead Credits	\$ 114,501,357	\$ 93,041,677	\$ 21,459,680
Ag Land Credits	110,286,540	29,056,737	81,229,803
Family Farm Credits	42,978,349	10,000,000	32,978,349
Military Exemptions	2,856,343	2,820,682	35,661
Elderly Credits			
Rent	7,047,541	7,047,541	0
Property tax	5,435,824	3,747,511	1,688,313
Mobile homes	148,118	148,118	0
Special Assessments	23,980	23,980	0
Elderly Credit Total	<u>12,655,463</u>	<u>10,967,150</u>	<u>1,688,313</u>
Total	<u>\$ 283,278,052</u>	<u>\$ 145,886,246</u>	<u>\$ 137,391,806</u>

VALUE-ADDED LIVESTOCK CREDIT

An alternative to the agricultural property tax credits was recommended by the Non-business Interim Tax Study Committee. The major elements of the Program are:

- Create a value-added livestock credit based on the amount of corn (or equivalent amount of other types of feed) required to market various types of livestock.

- The credit could take the form of an income tax credit or a direct payment by the State.
 - A maximum credit would be imposed per operation. Suggested caps ranged from \$2,000 to \$5,000 per operation.
 - If a credit in the amount of \$0.10 per "corn equivalent" (one bushel of corn or equivalent) were allowed, with a \$5,000 cap per operation, the Program would result in a decrease in revenues to the General Fund of approximately \$40.0 million to \$45.0 million in FY 1997 and subsequent fiscal years. This estimate assumes that 25.0% of the State's livestock operations have multiple types of livestock.
- 
- To fund the credit, the Committee recommended the repeal of the Agricultural Land and Family Farm Property Tax Credits. With the repeal of these credits, the proposal would not be expected to have any significant fiscal impact.

SUBCHAPTER S CORPORATIONS

- The Business Interim Tax Committee addressed the ramifications of allowing Subchapter S corporations to apportion income according to sales in Iowa. Under current law, C corporations pay taxes only on income related to sales in Iowa. Resident S corporations pay tax on income from all sales.
- Allowing S corporations to apportion income is expected to result in a decrease in revenues to the General Fund of at least \$8.0 million annually. Pending federal legislation would make an S corporation election more desirable. If approved by the Congress and the President, the fiscal impact of this Program would increase.
- Variations considered by the Business Interim Tax Study Committee included:
 - Allowing apportionment for S corporations, but apply the benefit in the form of a tax credit.
 - Allowing the credit only for businesses in the manufacturing sector.
 - Language to ensure that both gains and losses are apportioned.
 - Capping the total credit that would be available.



The Governor is recommending all S corporations apportion income based on sales within the State. The Governor estimates that the fiscal impact is expected to be a decrease in General Fund revenue of approximately \$8.0 million annually, beginning in FY 1997.

MACHINERY AND EQUIPMENT PROPERTY TAX

Pursuant to SF 69 (Income and Property Tax Act), passed in the 1995 Legislative Session, the property tax on most new purchases of machinery and equipment has been repealed. The tax on existing machinery and equipment is subject to a four-year phase-out.

- The State is scheduled to reimburse local governments for lost revenues due to the legislation. The reimbursement is expected to result in a decrease in General Fund revenues of approximately \$5.2 million in FY 1997, and \$10.6 million in FY 1998.
- Recommended legislation addressing issues related to the repeal of the property tax on machinery and equipment is currently being prepared by the Department of Management.
- Options include:
 - Expanding the base year levels to include machinery and equipment in both Urban Renewal and Job Tax Increment Financing (TIF) districts. (Tax Increment Financing districts are those in which property values are maintained at a base level so that newly created value is used to pay off the debt incurred to improve the district or train workers.) Expanding the base year levels would include all machinery and equipment in these districts in the State reimbursement formula. This approach would increase the FY 1997 State reimbursement by approximately \$1.0 million (19.3%).
 - Expanding the base year levels to include machinery and equipment in Urban Renewal Tax Increment Financing districts. Under current law, there may be an unintended incentive for businesses located within Urban Renewal tax increment financing districts to relocate outside the district. Expanding the base year levels would include these properties in the State reimbursement formula, thus negating this incentive. This approach would increase the FY 1997 State reimbursement by approximately \$0.5 million (9.6%).
 - Requiring local governments to certify which property is needed to retire debt incurred as a result of Tax Increment Financing, and subject non-certified machinery and equipment to the phase-out.

This option could result in the unintended relocation effects previously addressed.

The Governor is recommending machinery and equipment within an urban renewal TIF district be afforded the same exemptions and phase-out rates as other machinery and equipment. The Governor further recommends that State reimbursement to local governments be increased to reflect the change.

The Governor's recommendation is expected to result in a decrease in General Fund revenues of \$0.5 million in FY 1997, and \$1.0 million in FY 1998, compared to current law. The inclusion of these affected properties into the exemption and phase-out rates is expected to eliminate the current law incentive for companies to relocate outside of tax increment financing districts.

INDEXATION

The Governor is recommending that the individual income tax brackets and the standard deduction be indexed to 100.0% of the inflation rate for tax years 1996 and beyond. Under current law, the brackets and the standard deduction are indexed to 50.0% of the inflation rate.



The Governor is estimating the fiscal impact of full indexation will be a General Fund revenue reduction of approximately \$5.0 million in FY 1997, and \$12.1 million in FY 1998.

MENTAL HEALTH EXPENDITURES

The Governor is recommending a change in the base year used to compute the amount counties may spend on mental health services. Under current law FY 1997 property tax funding for mental health services is limited to \$190.0 million, the amount spent in FY 1994; this is approximately \$25.6 million less than the estimated FY 1996 spending of \$215.6 million. The Governor's recommendation permits counties to spend the same amount in FY 1997 as they have in FY 1996. The effect is to increase total property tax funding of mental health services by \$25.6 million compared to the maximum amount specified in current law.



The Governor is also recommending that counties be allowed to increase spending for mental health services by an inflation factor in FY 1998 and beyond.

OTHER TAX-RELATED GOVERNOR RECOMMENDATIONS

- The Governor is recommending the tuition and textbook tax credit and deduction be increased from 5.0% to 7.0%. The Governor further recommends that the income cap be raised from \$45,000 to \$95,000.
The Governor's recommendation is expected to result in a decrease in revenues to the General Fund of approximately \$0.4 million in FY 1997 and subsequent fiscal years.
- The Governor is recommending military pay received by active duty service persons in Bosnia be excluded from Iowa individual taxable income.
The Governor estimates the fiscal impact of the recommendation will be a decrease to the General Fund of \$0.1 million in FY 1997.
- The Governor is recommending the tax incentive portions of the New Jobs and Income Program be expanded by doubling the Research Activities Credit to 13.0% and providing an exemption from the sales and use taxes levied on construction materials, utilities, and other services.
The Governor estimates the fiscal impact of the recommendation will be a decrease in revenues to the General Fund of \$2.9 million in FY 1997 and subsequent fiscal years.

COUNCIL ON HUMAN INVESTMENT AND BUDGETING FOR RESULTS

During the 1993 Legislative Session the General Assembly adopted SF 268 (Iowa Invests Program) which created the Iowa Council on Human Investment. The charge to the Council includes:

- Develop a long-term investment strategy that includes broad measurable policy goals and benchmarks with input from a cross-section of the population.
- Develop an investment budget and accounting model that provides a financial weighing of investments. The model shall be implemented on a pilot basis.
- Study the potential for the State to appropriate funds according to the highest return on investment and make recommendations to the Governor and the General Assembly related to fully implementing the model developed for the pilot project.
- Develop and apply return on investment accounting standards.
- Advocate for regulatory and legislative initiatives to decategorize funding and reduce the number of regulations to improve investment.
- Educate the public, community agencies, and the General Assembly concerning investment principles and practices.
- Conduct customer satisfaction surveys of the users of public services to determine the effectiveness of public programs.

As part of the overall effort, the Council established a working group of Executive Branch budget and policy staff to formulate a process to be used in developing an outcome-based performance budget. Staff of the Legislative Fiscal Bureau (LFB) participated in discussions of concepts and procedures as part of the oversight function of the Bureau.

WHAT IS BUDGETING FOR RESULTS?

The goal of budgeting for results is to tie the appropriation of resources to the outcomes or results expected from a program. An outcome-based performance budget is developed by defining the desired outcomes or results of a program, establishing the cost of a unit of service or set of services necessary to achieve those outcomes, and determining how many units of the desired outcomes can be achieved with the requested level of funding. Then resources are allocated on the basis of expectation of performance. Performance is then tracked and

analyzed to determine progress toward meeting the desired outcomes and department directors are held accountable for the performance.

Budgeting for results differs from an incremental line-item budgeting approach utilized in some states by attempting to focus the discussions of decision-makers on the expected program outcomes and results. This approach may allow decision-makers to evaluate the impact of various service delivery strategies in Iowa and ultimately to select between packages of services based on outcome/impact and unit cost. A line-item approach focuses discussion on line-item resources (measures of program inputs) and program activities (measures of program outputs).

The working group's discussions and research related to approaches taken in other states resulted in the development of a new budget request process and format. The new format is being used by seven Executive Branch agencies with each selecting a single area or program, except the Department of Economic Development which selected three areas for the pilot. *The DOM agreed that the new request format and process do not replace the current budget request process and format at this time, but are in addition to it. Additionally, DOM agreed that all currently available information will remain available.*

The forms developed for the pilot project do provide sources and amounts of funding, but present expenditures only as a cost per unit of service and number of units of service to be provided. No information on full-time equivalent positions associated with the funding requested is presented. Additionally, most departments chose to identify only one performance measure for each program. Normally programs have more than one outcome expected and therefore should have multiple measures. The exceptions were the Department of Public Health which identified three performance measures relating to different aspects of the Child Immunization Program and Department of Corrections which identified two performance measures for the Training Center.

The programs chosen for the pilot project by department are:

- Department of Corrections - Correction's Training Center.
- Department of Economic Development - Tourism Advertising, International Trade and Export Trade Assistance Program, and Workforce Investment Program.
- Department of Education - Safe and Drug Free Schools Program.
- Department of Employment Services - Audit and Analysis Reporting Program.
- Department of Public Health - Child Immunization Program.

- Department of Human Services - Job Opportunities and Basic Skills (JOBS) Program.
- Department of Inspections and Appeals - Foster Care Review Board.



The Council on Human Investment and the DOM plan to expand the number of departments and increase the scope of participation in departments currently involved for the FY 1998 budget year requests. They expect to have all agencies and programs utilizing the new process within the next four years. During FY 1997, the DOM is planning to work with the Information Services Division of the Department of General Services to incorporate the new format into the computerized budget request system.

The Governor intends, with the support of the Council and the General Assembly, to implement the budgeting for results approach across all State agencies by FY 2000.

POTENTIAL PROBLEMS AND CONCERNS

Among the issues surrounding the application of a budgeting for results approach are:

- Information Dynamics - The amount and types of information provided during budget decision-making will be greatly reduced if the new format is adopted in its present form and the current forms are eliminated.
- Outcome Measurement Timeframe - The timeframe during which policy makers must wait to determine if a program is really achieving the specified outcomes is normally longer than election cycles. Experience in other states has shown that it may take two or three years to collect sufficient information to begin making an assessment of program outcomes and that often the true outcomes of a program are not known until five to ten years after the program activities occur.
- Defining "Program" - Is the University of Iowa a program, or the College of Liberal Arts, or the Department of History, or the Soviet Studies Program the appropriate level at which to define a program?
- Defining "Outcomes" - When a prisoner has been incarcerated and released is the appropriate outcome the number that are not returned to the system (rehabilitation) or the number of years the criminal has been kept off the streets (punishment)?
- Defining Reliable Measures - It is often difficult to identify accurate and reliable outcome measures. The current budgeting system has included performance measures for several years. However, departments have not utilized the existing system effectively, nor has the DOM required it.

- Performance Measure Revision - Performance measures may need to be revised when it is found that data is unavailable, too expensive to collect, or the measure is not a valid measure of the outcome. As this happens, the length of time between beginning measurement and determining program impacts continues to lengthen.
- Lack of Historical Data - Historical data is often not available for outcome measures and therefore must be collected where possible or collection must be started with no comparative historical data expected.
- Data Collection Costs - The cost of developing a new data collection system can be substantial and the benefits, in terms of a better product, to the Executive Branch or Legislative Branch, may not be sufficient to justify those costs.
- Data Verification and Storage - It is essential that any system of data collection include storage that allows independent verification of the data used to measure the outcomes.

The General Assembly may wish to consider the following alternatives.

- Rather than generating new forms for reporting performance measure information, require the DOM to have departments report the new outcome-based performance measures on the schedule that is currently available. Additionally, outcome-based performance measures should be tied to the decision packages that departments create in requesting funding.
- Require that the current budgeting system be maintained until departments, the Governor, and the General Assembly have had sufficient experience with the new process to insure its adequacy for decision-making.
- Require all departments receiving General Fund appropriations to participate in the next phase of the pilot project and to select a program that is funded by the General Fund rather than from federal or other funds.
- Identify specific programs and departments of interest to the General Assembly, and require participation of those in the next phase of the pilot project.
- Require that the new budget forms be incorporated into the current set of budget forms as another schedule.
- Require that the General Assembly, or the appropriations subcommittees, review and approve all performance measures.

BENCHMARKING

In a related effort, the Council has worked to establish a set of statewide Benchmarks. The Benchmarks are long-term measurable policy goals that are developed with input from Iowa citizens through a survey approach. During the past 18 months a research team comprised of faculty members from the University of Iowa, Iowa State University, and Drake University, working with staff of Executive Branch departments and public volunteers developed a survey to identify benchmarks for Iowa government. The initial set of benchmarks dealt with the areas of:

- Strong Families
- Economic Development
- Workforce Development

Within each area, a set of state policy goals are generated based on input from a random sample survey of Iowans. A group of Executive Branch employees are formulating outcome-based performance measures for each policy goal and determining if data is available for the measures. Staff of the Council noted that by the end of December the measures should be finalized and sent to the appropriate departments for data collection to establish a baseline for the goals.

Additionally, development of the second group of benchmarks and policy outcomes has begun. The areas being addressed are:

- Strong Communities
- Healthy Iowans

The public opinion poll will be administered by staff of the University of Iowa and the University of Northern Iowa for these areas in January.

FEDERAL FUNDING ISSUES

Eliminating the annual federal budget deficit was a priority of the 1995 Session of the 104th Congress. Since 1990, the federal budget process focused upon avoiding increases in the annual deficit by imposing targets for various types of discretionary spending and limiting statutory changes that would increase entitlement spending. The 104th Congress and the President agreed upon the need to eliminate the annual deficit, but as of this writing had not found common ground on priorities for spending and taxes.



Efforts to reduce or eliminate the annual deficit are likely to have a significant effect upon the State budget. In FY 1996 the State of Iowa expected to receive approximately \$2.1 billion in federal funding, *prior to deficit reduction changes*. Over \$1.2 billion of this amount (59.7%) will be spent by the Department of Human Services, primarily for the Medical Assistance, Food Stamps, Employment Training, and Family Investment Programs. Of the remaining amount, approximately \$249.3 million will be spent by the Department of Transportation, primarily for Highway Programs; \$214.9 million will be spent by the Department of Education; and \$100.4 million will be spent by the Regents institutions.

It is difficult to estimate the Iowa impact of eliminating the annual federal budget deficit for many reasons:

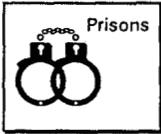
- Congressional leadership and the President differ on the "baseline" estimated level of tax revenues and entitlement spending with no statutory changes.
- Many of the major appropriations bills have not been signed into law, and the reconciliation bill may significantly affect the allocation of funds to specific programs and states.
- The extent to which authority over social and regulatory programs will be transferred to the states using a "block grant" approach is uncertain. It is possible that a "capped entitlement" approach will be used in which the amount of federal funding is limited but States are obligated to provide services to all persons who meet federally mandated eligibility standards.
- It appears that significant new requirements for Information Technology will be placed upon the states.
- Definitions for implementation have not been established. It has historically taken months – and sometimes years – for federal agencies to promulgate administrative rules advising states how to interpret federal

statutory requirements. Development of software and program initiatives to meet new requirements can not begin until the rules are finalized.

- Implementation timeframes are undetermined. For example, reductions in Medical Assistance may be retroactive to October 1, 1995; this could force a major reduction in both medical and child welfare services if the reduction must be achieved during a comparatively short period of time. Another example involves automated systems; the cost of new system development or major upgrade may be substantially increased if it must be completed in a short timeframe.
- Federal changes in program requirements, combined with changes in funding, may require hard choices about what services to provide and what populations to serve. For example, welfare reform may require that specified percentages of the Family Investment Program (FIP) caseload be employed, but may eliminate the child care entitlement for which newly employed FIP clients qualify. The State may have to decide whether to increase State funding for child care for FIP clients or reallocate limited federal funding from non-FIP working poor families to newly employed FIP clients. It is unlikely that these choices will be made quickly.
- Many changes in federal policy affect the private sector and local government and may impact demand for state services. For example, lower interest rates may improve the economy, increase the number of people receiving employer-subsidized health care, and decrease demand for Medical Assistance. Conversely, reducing the frequency or amount of cost-of-living increases for medical providers may cause additional cost-shifting to private-pay patients, non-capitated insurance plans, and uncompensated care, while simultaneously decreasing the rate of medical cost inflation.
- The Legislative Fiscal Bureau has compiled preliminary estimates developed by Executive Branch departments of the potential impact of federal budget changes. These estimates are subject to change as the federal budget is finalized. Copies of this compilation are available upon request from the LFB.

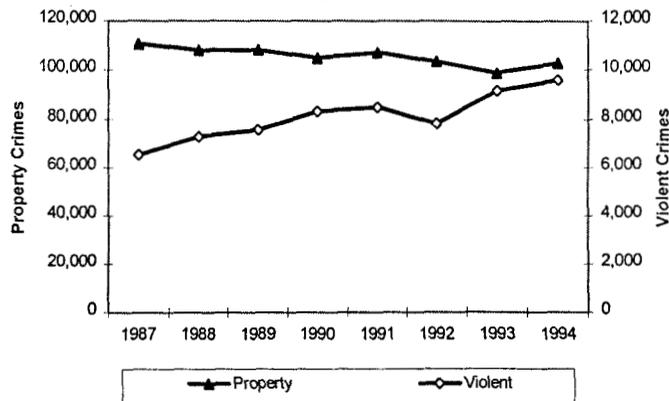
PRISONS AND GROWTH IN THE PRISON POPULATION

Iowa's prison system has eight major prison facilities. The Iowa State Penitentiary at Fort Madison, the oldest Iowa prison, was constructed in 1839 and serves as the primary maximum security facility. Two other facilities were constructed before 1900. The Medical and Classification Center at Oakdale was built in 1969 and is currently the newest facility. A new 750-bed prison is under construction at Clarinda and is scheduled to open in February 1996. Another 750-bed prison is being constructed at Newton and is scheduled to open in July 1997.

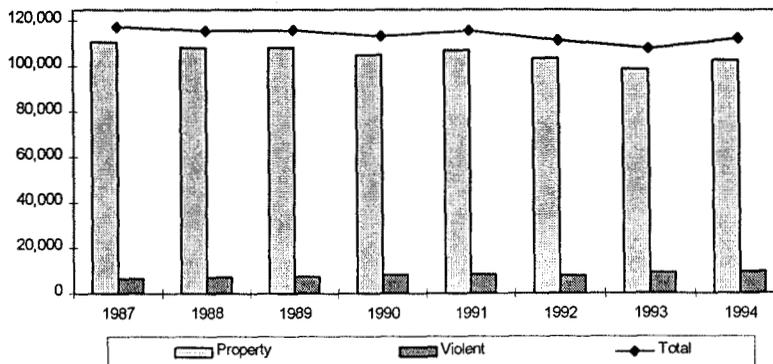


The number of crimes committed in Iowa has decreased by 4.1% between 1987 and 1994. Property crimes are committed about ten times more frequently than are violent crimes, but the trends differ. Over the same period, property crimes decreased by 7.1% while violent crimes increased 47.0%.

Trends in Property and Violent Crimes



Number of Property and Violent Crimes



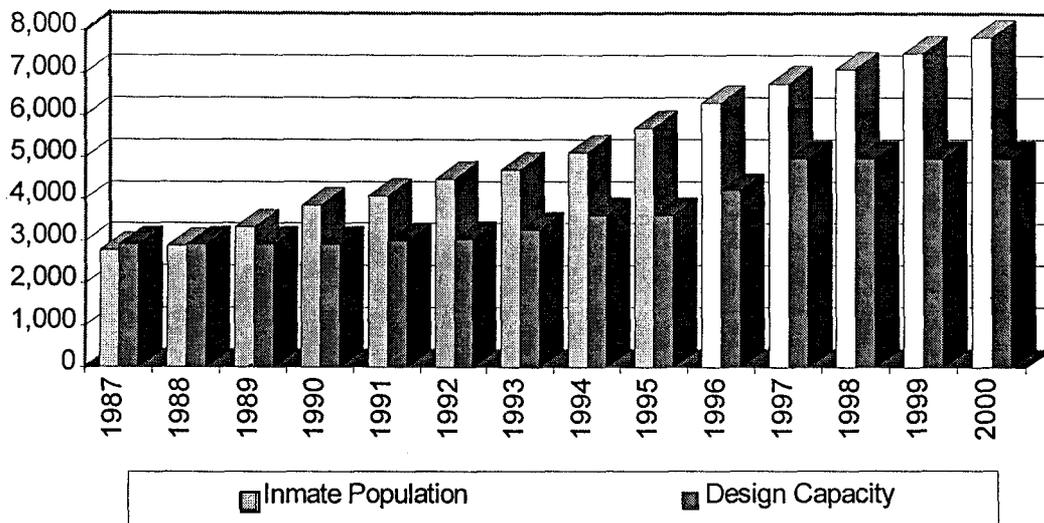
Note: The number of crimes for 1994 is estimated.

On December 1, 1995, there were 5,931 inmates in Iowa's prison system. Since July 1, 1987, the inmate population has increased by 112.7%. The prison population is growing as the total number of crimes in Iowa is decreasing. Violent crimes have been increasing during this period, but the prison population growth rate has been significantly greater than the percentage increase in violent crimes.

The Governor is recommending reinstating the death penalty for conviction of two Class A felonies (one of which is a murder), abolishing parole for offenders committing second degree murder, second degree kidnapping, first and second degree robbery, and for sexual predators. The Governor is also recommending increasing the sanctions against methamphetamine dealers and manufacturers, and those committing sex crimes against children.

The prison system currently has a design capacity of 3,603 and is operating at 164.6% of design capacity. The addition of the Clarinda prison will reduce overcrowding to 149.6% of design capacity at the end of FY 1996, and adding the Newton prison will reduce overcrowding to 136.2% of design capacity at the end of FY 1997. With no other additions, the inmate population will be 158.6% of design capacity at the end of FY 2000. The following chart projects the prison population through the end of the decade.

Prison Population Through July 2000



NEW PRISONS

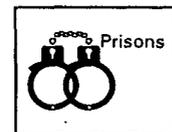
The following table projects the costs for the Clarinda and Newton prisons, which are currently under construction, and for the other stand-alone facilities proposed by the Department of Corrections.

Location	Security Level	Number of Beds	Const. Cost (millions)	Annual Operating Cost (millions)
Clarinda	Medium	750	\$ 21.1	\$ 10.9
Newton	Medium	750	34.5	13.5
Undecided	Medium	750	34.5	13.5
Undecided	Max. / Super-Max	150 / 100	34.3	NA

NA = Not Available

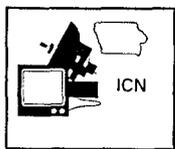
- In addition to the above stand-alone construction, the Department is recommending a 50-bed geriatric infirmary, a 50-bed addition for women at Mitchellville, and 200 maximum-security beds from remodeling and reopening Cellhouse 17 at Fort Madison. The construction cost estimates are \$11.4 million, \$3.0 million, and \$6.5 million, respectively.
- Prison operating cost far exceeds construction cost over the life of a facility. The annual operating cost equals approximately 40.0% of the construction cost, so the decision to build a prison is a commitment to costs greater than the construction cost.
- Assuming the prison growth rate continues, the prison system will add approximately 400 inmates per year. To keep pace with this growth, another prison similar to the Newton facility will need to be built every two years.

The Governor is recommending the construction of a 750-bed medium security prison at a site to be selected through a community bidding process and the renovation of Cellhouse 17 at Fort Madison.



IOWA COMMUNICATIONS NETWORK

The Iowa Communications Network (ICN) was created by the 1989 General Assembly as a fiber optic "highway" capable of carrying all forms of communications traffic including voice, distance education, telemedicine, government information and services, and computer network data. Fiber optic technology converts voice, video, and data signals into digital light impulses which are transmitted over hair-thin glass fibers.



The installation of the ICN began in 1991 as a three-part project.

- Part I consists of 20 connection sites. These include 15 regional centers located at each of the community colleges throughout the State, the three Regents universities, Iowa Public Television, and the State Capitol complex.
- Part II consists of 84 connection sites. These include separate fiber optic lines from the respective regional center to each of the remaining counties. These sites are typically known as the County Points of Presence.
- Part III as proposed will involve the connection of at least 474 additional sites in Fiscal Years 1996 to 1999 with approximate costs as follows:
 - FY 1996 - 102 sites at \$18.5 million.
 - FY 1997 - 131 sites at \$20.8 million.
 - FY 1998 - 117 sites at \$21.5 million.
 - FY 1999 - 124 sites at \$20.0 million.

Parts I and II of the ICN were completed at a cost of \$114.5 million which was funded by Certificates of Participation. Parts I and II are typically referred to as the "backbone" of the Network and the connections are owned by the State. Part III connections will be constructed by private vendors and most will be leased by the State, except for certain sites (approximately 21) that will be owned by the State as the result of a National Guard ICN project. The majority of the Part III sites will be K-12 schools. Seven libraries will be connected as part of a pilot project in Fiscal Years 1996 through 1998, but remaining library connections (approximately 80) will be postponed to FY 1999.

Authorized users of the network include the Iowa National Guard, Iowa Public Television, libraries, state government agencies, community colleges, Regents institutions, private colleges and universities, all local school districts, area education agencies, hospitals and physician clinics, federal agencies, Iowa judicial and corrections systems, and the United States Postal Service.



During FY 1996, the Iowa Telecommunications and Technology Commission received General Fund appropriations of \$20.8 million for operations, debt service, and educational support. The Commission also received a total of \$18.7 million in appropriations from the Rebuild Iowa Infrastructure Fund to connect approximately 102 sites for the first year of a four-year implementation plan for Part III.

In FY 1997, the Commission's operating funds will come from an enterprise fund using revenues from the ICN. However, the Commission is asking for the following appropriations from the General Fund for FY 1997:

- \$2.4 million to subsidize video rates.
- \$12.8 million to fund net debt service for Parts I and II.
- \$2.7 million to be transferred to Iowa Public Television for scheduling and support of education sites.

The Commission is also requesting \$20.8 million from the Rebuild Iowa Infrastructure Fund for the second year of Part III implementation to connect approximately 131 sites.

The Governor is recommending the following appropriations for the ICN for FY 1997:

- \$2.4 million to subsidize video rates.
- \$12.8 million to fund net debt service for Parts I and II.
- \$2.0 million to be transferred to Iowa Public Television for scheduling and support of education sites.

In addition, the Governor is recommending \$20.8 million from the Rebuild Iowa Infrastructure Fund for the second year of Part III implementation to connect approximately 131 sites.

EDUCATION STANDING APPROPRIATIONS

IOWA SCHOOL FOUNDATION FORMULA



The Iowa School Foundation Formula was created between 1970 and 1972, for the school year beginning July 1, 1972. The Formula is a student-driven financing mechanism that works to equalize revenues from state sources and property taxes. The Formula was revised in 1989 to equalize per pupil spending, provide an enrollment cushion (phantom students), increase property tax relief, and provide for increased local discretion. In 1992, further revisions to the Formula included eliminating advanced funding for increasing enrollment, eliminating the enrollment decline cushion (phantom students), and requiring the Governor and General Assembly to establish the allowable growth rate each year, which was previously established by the formula.

During the 1995 Session, the determination of allowable growth was changed again. The Legislature will set allowable growth two years in advance within 30 days of the submission of the Governor's budget. During the 1996 Legislative Session, the General Assembly will set allowable growth for FY 1998.

The School Foundation Formula is based upon basic enrollment, a school district's regular program cost per pupil, state aid determined by a foundation level, and an amount generated by the uniform property tax levy. Special statutory provisions guarantee that a district's regular program cost and area education agency special education support will be at least as much as in the prior year (100% budget guarantee). This places the full amount of the budget guarantee on property taxes. Other funding sources available to school districts on an optional basis in the general education fund area include talented and gifted programs, drop-out prevention programs, School Budget Review Committee authorizations, and the instructional support levy. Other optional funding sources available to districts in the general education fund area include the cash reserve levy, management levy, and enrichment levy.

Local school districts have a number of optional funding sources available to them for non-general education fund activities. The levies are used for building construction, building maintenance, equipment purchases, and certain operational expenditures. These include: debt service levy, schoolhouse property tax levy, physical plant and equipment levy, and the educational and recreation levy.



Under current law, state aid is estimated to increase by \$67.0 million (5.0%) for FY 1997 compared to estimated FY 1996. Property taxes are estimated to increase by \$35.1 million (4.1%) for FY 1997 compared to estimated FY 1996. The total controlled budget is estimated to increase \$102.1 million (4.7%) for FY 1997 compared to estimated FY 1996.

In FY 1996, school aid formula had a 101.0% budget guarantee. Property taxes paid for the 100.0% budget guarantee and state aid paid for the 1.0% growth. Under current law, school aid has a 100.0% budget guarantee for FY 1997 which is paid entirely by property taxes. This shifts approximately \$922,000 from state aid to property taxes.

During the 1996 Legislative Session, the General Assembly will set allowable growth for FY 1998. Table 1 displays the estimated current law increases for FY 1998 compared to FY 1997 at various allowable growth rates as estimated by the Legislative Fiscal Bureau (LFB). Contact the LFB for assumptions and additional detail.

Table 1
FY 1998 Increases Compared to FY 1997 at Various Allowable Growth Rates
(Dollars in Millions)

Allowable Growth	Increase in State Aid	% Increase	Increase in Property Taxes	% Increase	Increase in Total Budget	% Increase
0.0%	\$ 12.3	0.9%	\$ 19.5	2.2%	\$ 31.8	1.4%
1.0%	30.5	2.2%	23.2	2.6%	53.7	2.3%
2.0%	49.3	3.5%	27.1	3.0%	76.4	3.3%
3.0%	67.5	4.8%	31.1	3.5%	98.6	4.3%
4.0%	86.3	6.2%	35.1	4.0%	121.4	5.3%
5.0%	104.6	7.5%	39.2	4.4%	143.8	6.3%
6.0%	123.4	8.8%	43.3	4.9%	166.7	7.3%

The Governor is recommending to increase state aid by \$81.4 million (6.1%) for FY 1997 compared to estimated FY 1996 (See Table 2). The increase includes the following changes from current law.



- The Governor is recommending the State fund 100.0% of allowable growth through FY 2001. The Governor has estimated this will reduce property taxes and increase state aid by \$14.1 million. Under current law, allowable growth is split between state aid and property taxes. Allowable growth in the regular program is split 83.0% state aid and 17.0% property taxes. Allowable growth in special education is split 79.0% state aid and 21.0% property taxes. The allowable growth for Area Education Agencies' media and educational service will also be paid from state aid. Currently, all Area Education Agencies' media and educational service costs are paid from property taxes.

- The Governor is recommending a 101.0% budget guarantee for FY 1997 where the increase from a 100.0% to 101.0% guarantee would be financed by state aid. This is an increase of \$1.4 million in state aid in FY 1997. Property taxes would still provide the funding for the 100.0% budget guarantee.

Table 2
Governor's Recommendations
FY 1997 State Aid Estimate
(Dollars in Millions)

FY 1996 State Aid		\$ 1,330.9
Allowable Growth (3.3%)	56.8	
Enrollment Increase	12.4	
Special Education Increase	11.1	
Replace Allowable Growth (Property Tax Portion)	14.1	
100.0% to 101.0% Budget Guarantee	1.4	
Taxable Valuation Increase (2.7%)	-11.8	
Sharing Incentive/Other	-2.6	
Total FY 1997 Changes		\$ 81.4
Estimated FY 1997 State Aid		\$ 1,412.3

The Governor is also recommending the following regarding the school aid formula.

- A 3.0% allowable growth in FY 1998 and FY 1999 to provide schools a stable and predictable source of funding. This is estimated to increase state aid by \$78.7 million for FY 1998.
- A review of the school aid formula in FY 1999 since 100.0% funding of allowable growth is recommended to sunset in FY 2001.

EDUCATIONAL EXCELLENCE

The Governor is recommending to increase teacher's minimum salary from \$18,000 to \$20,000. This is estimated to increase Phase I of the Educational Excellence Program by \$500,000.

TECHNOLOGY/SCHOOL IMPROVEMENT PROGRAM

The Governor is recommending a new \$15.0 million appropriation for the school improvement/technology program for each of the next four years, accumulating to \$60.0 million in FY 2000. The \$60.0 million appropriation will continue in subsequent years. The funding will be distributed on a per pupil basis, with a guaranteed minimum amount.

EARLY RETIREMENT FOR TEACHERS

The Governor is recommending a new \$500,000 appropriation in FY 1997 and \$600,000 in FY 1998 to pay for a portion of the cost of health insurance for certified classroom teachers 59 years of age and older wishing to retire. This option would be available for a two-year period. The total cost of the program would be financed as follows: one-third by the State, one-third by the district, and one-third by the teacher.

AREA EDUCATION AGENCIES

The Governor is recommending the following concerning Area Education Agencies (AEAs):

- Reorganize the AEAs into the Division of Special Education and the Division of Instructional Services. Cost savings from reorganizing will be directed to provide management services to local school districts.
- Require the State Board of Education to develop standards and rules for accreditation of AEAs by January 1, 1997.
- Require AEA board members to meet with their local school district boards twice a year.

TRANSPORTATION FOR NONPUBLIC STUDENTS

The Governor is recommending an increase of \$156,000 for Transportation of Nonpublic Students to cover the estimated amount of claims by Iowa school districts.

ESTIMATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

Appendix B shows the projected FY 1997 built-in increases and decreases from FY 1996. A *built-in increase or decrease* is a standing appropriation as required by the Code of Iowa, an entitlement program, or a prior appropriation for a future fiscal year which increases or decreases compared to the prior year. An *anticipated increase or decrease* is an anticipated increase or decrease based on prior obligation or action. Any built-in increases or decreases can be changed by enacted legislation.

The Legislative Fiscal Bureau (LFB) is projecting \$182.0 million General Fund built-in increases and decreases for FY 1997. The LFB is projecting \$3.1 million in anticipated increases or decreases for FY 1997. The following table summarizes the projected FY 1997 built-in increases and decreases and anticipated increases and decreases.

The Governor is recommending \$153.2 million for the following General Fund built-in increases and decreases and \$5.4 million for the following anticipated increases and decreases.

(Dollars in Thousands)

	LFB Estimates	Governor's Recommend.	Difference
FY 1997 Built-in Increases and Savings			
K-12 School Foundation Aid	\$ 67,049.6	\$ 81,421.4	\$ 14,371.8
Salary Increase	39,200.0	27,022.5	-12,177.5
Human Services - Medical Assistance	27,660.4	15,191.5	-12,468.9
Natural Resources - Resource Enhancement and Protection (REAP) Standing	22,000.0	1,000.0	-21,000.0
Property Tax Relief Fund	17,000.0	17,000.0	0.0
Highway Patrol	9,000.0	9,000.0	0.0
M&E Property Tax Replacement Fund	5,200.0	5,700.0	500.0
Appeals Board	400.0	400.0	0.0
Transportation for Nonpublic Students	155.7	155.7	0.0
Child Development	-1,928.0	0.0	1,928.0
Performance of Duty	-3,700.0	-3,700.0	0.0
Total Built-in Increases and Savings	\$ 182,037.7	\$ 153,191.1	\$ -28,846.6

FY 1997 Anticipated Increases and Savings

Corrections - Various Projects	\$ 7,773.0	\$ 7,773.0	\$ 0.0
Indigent Defense	2,668.2	5,723.3	3,055.1
Regents - Tuition Replacement	409.4	-78.6	-488.0
Iowa Communications Network - Revolving Fund	-1,000.0	-1,000.0	0.0
DHS Mental health Institutes	-2,800.0	-3,040.0	-240.0
DHS State Hospital Schools	-4,000.0	-4,000.0	0.0

Total Anticipated Increases and Savings	<u>\$ 3,050.6</u>	<u>\$ 5,377.7</u>	<u>\$ 2,327.1</u>
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Grand Total

	<u>\$ 185,088.3</u>	<u>\$ 158,568.8</u>	<u>\$ -26,519.5</u>
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Appendix B describes the General Fund built-in expenditure increases or decreases and anticipated increases or decreases in detail by providing:

1. Type of appropriation.
 - A. Standing unlimited appropriation
 - B. Standing limited appropriation
 - C. Regular appropriation
2. Description of the program or budget unit.
3. Reasons for the increases or decreases.
4. Dollar amount of the increase under current law as projected by the LFB, in thousands.
5. Governor's Recommended dollar amount of the increase, in thousands.
6. Description of the Governor's Recommendation.
7. Dollar change from current law for each Governor's Recommendation, in thousands.

OVERVIEW OF THE FY 1997 BUDGETS AND SUBCOMMITTEE ISSUES

The Overview of the FY 1997 Budgets and Subcommittee Issues Section is an analysis of the FY 1997 Governor's Recommendations compared to estimated FY 1996 appropriations and a presentation of possible issues to be discussed by the individual appropriations subcommittees. When detailing the Governor's recommendations for FY 1997 compared to estimated FY 1996, capitals and unassigned standings are not included in the totals for the appropriations subcommittees. The capital recommendations are summarized in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee Section.

Please note that the Oversight, Audit and Government Reform Appropriations Subcommittee is not included in the Summary of FY 1997 Budget and Governor's Recommendations Document as each department or agency may be affected by the Subcommittee.



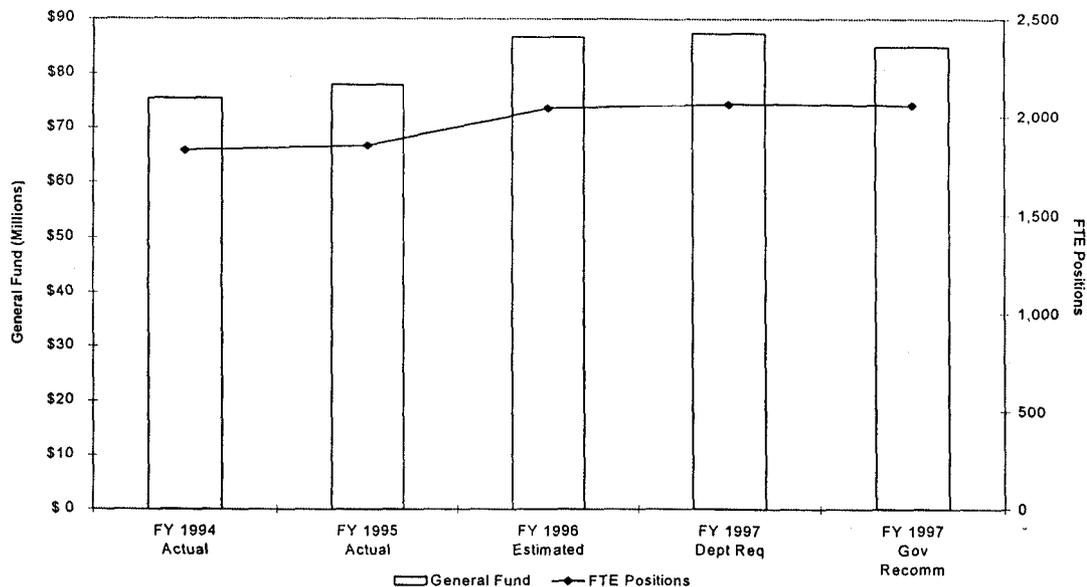
ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATION



The Governor is recommending \$84.9 million from the General Fund and 2,046.1 FTE positions for the 12 departments of the Administration and Regulation Appropriations Subcommittee. This is an increase of \$1.6 million (1.9%) and an increase of 13.5 (0.7%) FTE positions compared to estimated FY 1996. The FY 1997 recommendation does not reflect salary adjustment funds, which were included in the Department of Management's (DOM) FY 1996 budget. The following graph illustrates the history of General Fund appropriations and FTE positions.

Administration & Regulation Appropriations Subcommittee



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

1. Department of Commerce
 - A. An increase of \$120,000 to aid the transition of the communications industry to a competitive environment.
 - B. A decrease of \$66,000 and 1.0 FTE position due to transferring a position to the Centralized Purchasing Division of the Department of General Services. The individual will be responsible for oversight of Requests for Proposals and contract management.

2. Ethics and Campaign Disclosure Board - An increase of \$28,000 to upgrade memory and purchase software for implementation and continuation of the electronic filing project.
3. Department of General Services
 - A. An increase of \$58,000 in the Utilities Division for a projected increase in the cost of utilities.
 - B. An increase of \$50,000 and 1.0 FTE position to monitor and provide oversight for infrastructure projects.
 - C. An increase of \$48,000 in the Rental Space Division to fund utility, service, and rent increases for agencies with lease escalators and replacement space for agencies which have moved.
 - D. An increase of \$20,500 in the Terrace Hill Operations Division to fund ongoing maintenance of Terrace Hill buildings and grounds.
 - E. A decrease of \$62,500 in the Utilities Division due to a one-time FY 1996 appropriation to partially fill the fuel oil tank.
4. Office of the Governor - An increase of \$29,000 for data processing and office automation equipment.
5. Department of Inspections and Appeals
 - A. An increase of \$217,000 for the annualized cost of regulating three riverboats added in FY 1996.
 - B. An increase of \$133,000 and 2.6 FTE positions for regulation of live racing at Waterloo Greyhound Park.
 - C. An increase of \$67,000 and 1.0 FTE position to maintain the current level of oversight for licensing functions. The increase is necessary due to expansion of gaming activities.
 - D. An increase of \$44,000 and 1.0 FTE position to maintain the current level of communications and information exchange. The increase is necessary due to expansion of gaming activities.
 - E. An increase of \$40,000 and 1.0 FTE position to provide administrative support to the Director of Excursion Boat Gambling to maintain adequate regulation of the industry.
 - F. An increase of \$29,000 and 1.0 FTE position for clerical support. The increase is necessary due to expansion of gaming activities.
 - G. A general decrease of \$76,000.



6. Department of Management
 - A. An increase of \$250,000 for a comprehensive review of Iowa's property tax structure.
 - B. A decrease totaling \$22,000 from various line-items to support the Family Opportunity Plan.
7. Department of Personnel
 - A. An increase of \$31,000 for improvements in the employee selection system including funding for contracting with local community colleges to administer employment applications.
 - B. An increase of \$22,000 to purchase a new applicant records storage system.
 - C. A decrease of \$38,000 from various line-items to support the Family Opportunity Plan.
8. Department of Revenue and Finance
 - A. An increase of \$259,000 for salary annualization.
 - B. A decrease of \$26,000 and 1.0 FTE position as a result of recommended changes to the Department's pre-audit function.

ISSUES

The Administration and Regulation Appropriations Subcommittee may wish to examine the following issues:

- Computerization of campaign finance records within the Ethics and Campaign Disclosure Board - The Board requested but did not receive \$26,000 for this project in FY 1996. The Board is requesting and *the Governor is recommending \$28,000 to upgrade memory and purchase software for implementation and continuation of the electronic filing project.* 
- Review of the restructuring of the Department of Commerce - The Department was restructured in FY 1994 and the budget proposal for FY 1997 requests that all funds for administrative functions be appropriated to the Administrative Services Division.
- Live racing at Waterloo Greyhound Park - The Department is requesting and *the Governor is recommending \$133,000 and 2.6 FTE positions for regulation of live racing at Waterloo Greyhound Park.*
- Payment processes for interagency services - The majority of agencies within the Subcommittee provide services to other State agencies. The approach to funding these services has varied, causing a general lack of uniformity regarding how services are funded and how payments from service-receiving agencies are classified.

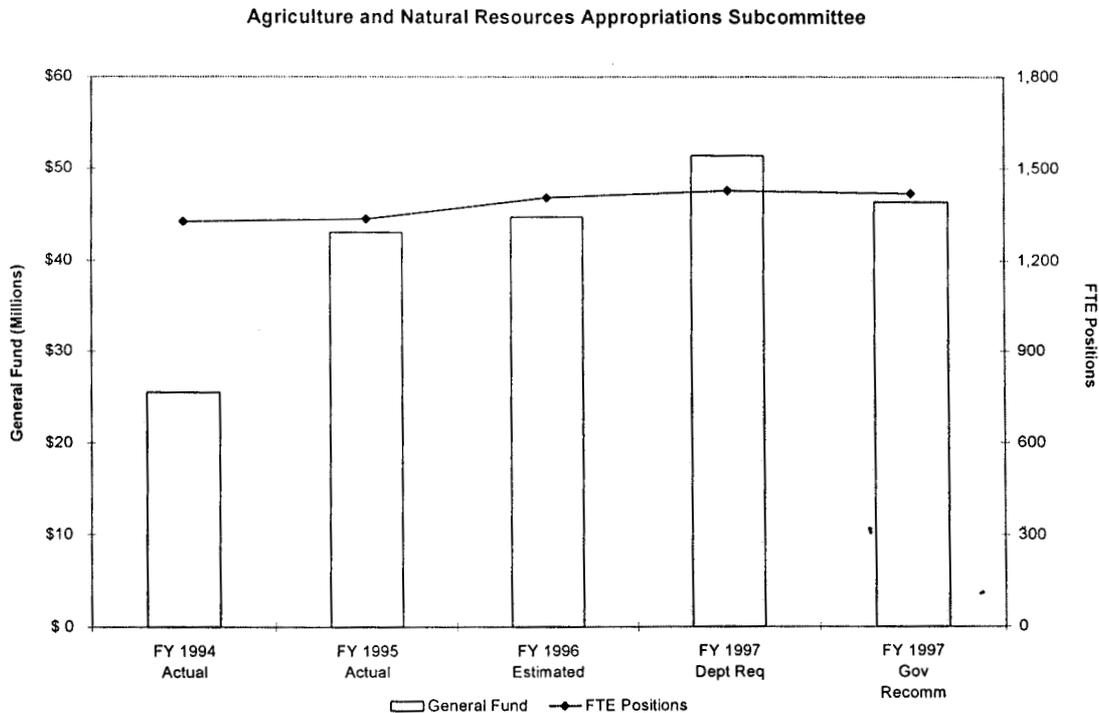
- Historical intent and current status of revolving funds and standing appropriations administered by agencies within the Administration and Regulation Appropriations Subcommittee - The agencies are responsible for a variety of projects which receive standing appropriations or other funds. Senate File 484 (Administration and Regulation Appropriations Act) required agencies to report FY 1995 beginning and ending balances for all statutory revolving funds, as well as all expenditures in excess of the appropriated amount.
- Inspections of residential care facilities - The Health Facilities Division of the Department of Inspections and Appeals was appropriated \$233,000 and 4.0 FTE positions in FY 1996 to perform regularly scheduled inspections of State-licensed only residential care facilities. The facilities had previously been inspected on a complaint basis only.



AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$46.4 million from the General Fund and 1,412.5 FTE positions for the two departments of the Agriculture and Natural Resources Appropriations Subcommittee and the Livestock Tech Transfer Program at Iowa State University. This is an increase of \$1.6 million (3.6%) and an increase 13.9 (1.0%) FTE positions compared to estimated FY 1996. All dollar amounts and percentages include General Fund appropriations from the former Commercial Feed, Fertilizer, Pesticide, Dairy Trade, Milk, and non-capital Marine Fuel Tax Funds. The following graph illustrates the history of General Fund appropriations and FTE positions.



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

1. Department of Agriculture and Land Stewardship
 - A. A decrease of \$202,000 and 4.0 FTE positions due to the movement of the international trade portion of the Agricultural Marketing Bureau in the Administrative Division to the Department of Economic Development.

- B. An increase of \$60,000 to continue funding a Supervisory Field Representative from the General Fund. In FY 1996, the position was funded by an allocation from the Living Roadway Trust Fund.
 - C. A decrease of \$450,000 for the Organic Nutrient Management Program.
2. Department of Natural Resources
- A. An increase of \$382,000 and 7.0 FTE positions to provide additional livestock regulatory efforts.
 - B. An increase of \$580,000 to match federal money for the Air Quality Program.
 - C. An increase of \$325,000 and 7.0 FTE positions to provide additional staffing for the Water Quality Protection Program.
 - D. An increase of \$300,000 and 5.0 FTE positions to create a compliance assistance team to aid customers applying for environmental permits.
 - E. An increase of \$1.0 million for the Resource Enhancement and Protection (REAP) Program. The additional funding is to be distributed to the various programs supported by the REAP Program within the current distribution formula. 
 - F. A decrease of \$200,000 for the Marine Fuel Tax County Grant Program. The Department is requesting an increase of \$200,000 for the Marine Fuel Tax capital request to replace the decrease, which will be addressed by the Transportation, Infrastructure, and Capitals Appropriations Subcommittee.
 - G. A general reduction of \$126,000 due to a 1.0% reduction divided among the divisions of the Department.

SIGNIFICANT OTHER FUND CHANGES RECOMMENDED

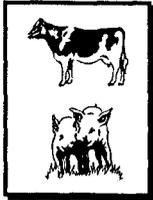
- 1. The Governor is recommending a transfer of \$500,000 from the Organic Nutrient Management Fund to Iowa State University (ISU) for an odor research pilot project.
- 2. The Governor is recommending a transfer of \$400,000 from Soil and Water Enhancement Account of the REAP Fund to the Loess Hills Development and Conservation Authority to help control streambed degradation and channel erosion. In FY 1996, the Loess Hills Development and Conservation Authority was appropriated \$400,000 from excess lottery funds.

3. The Governor is recommending \$21.2 million from the Fish and Game Protection Fund, an increase of \$268,000 compared to estimated FY 1996. The change includes:
 - A. An increase of \$193,000 for salary annualization.
 - B. An increase of \$75,000 and 1.0 FTE position for increased fish and wildlife enforcement activities.
4. The Governor is recommending the creation of a Waste Tire Management Fund to reduce the existing accumulation of waste tires and to develop alternative disposal and recycling methods. The Governor is recommending funding for FY 1997 through FY 2002 from the vehicle registration surcharge, which currently is deposited in the General Fund, totaling \$12.0 million over that time period. In FY 1997, the Governor is recommending \$1.0 million from this fee be deposited in the Fund.



ISSUES

The Agriculture and Natural Resources Appropriations Subcommittee may wish to examine the following issues:



- Proposed livestock production regulations. The General Assembly established an interim study committee to review the current livestock market structure and regulations. In addition, the 1995 General Assembly passed HF 519 (Animal Livestock Regulation Act) which further addressed environmental regulations in relation to livestock production facilities. Departmental rules for HF 519 are pending approval. *The Governor is recommending \$382,000 and 7.0 FTE positions for additional livestock regulatory efforts.*
- Unencumbered balances in various Cost Share Programs. The Department of Agriculture and Land Stewardship receives money for the Soil Conservation Cost Share Program, the Organic Nutrient Management Program, and REAP Program. The Department then allocates the funds to all 99 counties. *The Governor is recommending a transfer of \$500,000 from the Organic Nutrient Management Fund to ISU for an odor research pilot project and a transfer of \$400,000 from the Soil and Water Enhancement Account of the REAP Fund to the Loess Hills Development and Conservation Authority to control streambed degradation and channel erosion.*
- The REAP funding level. The Code of Iowa requires the Fund to receive a standing appropriation of \$30.0 million. The FY 1996 appropriation was \$8.0 million. *The Governor is recommending \$9.0 million. The Governor is also recommending total available funding from all sources for REAP of \$10.0 million per year and extending the life of the REAP Program from 20 years to a total of 30 years.*

- Revenue and expenditures from the Water Quality Protection Fund. During the 1995 Legislative Session, the fee structure for the Water Quality Protection Program was approved by the General Assembly to retain primacy, whereby the State retains control of the Program. Currently, \$350,000 per year is generated by fees. The Environmental Protection Agency is currently reviewing Iowa's application for primacy. *The Governor is recommending \$729,000 from the General Fund and an additional 7.0 FTE positions for the Program. The Governor is recommending an additional \$325,000 be generated from fees, for total fee revenue of \$675,000 per year.*

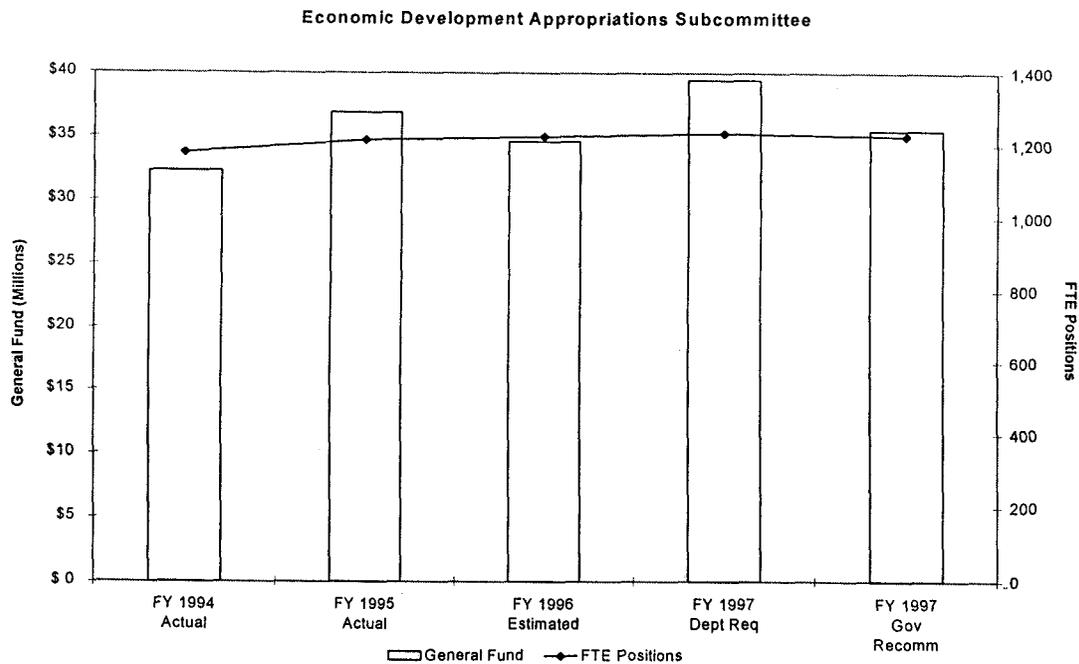




ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATION

The Governor is recommending \$37.6 million from the General Fund and 1,225.6 FTE positions for the three departments and four related agencies of the Economic Development Appropriations Subcommittee. This is an increase of \$3.0 million (8.1%) and 0.9 (0.1%) FTE positions compared to estimated FY 1996. Included in the figures is \$5.6 million and 55.1 FTE positions for three Board of Regent's programs traditionally funded through the Economic Development Appropriations Subcommittee. The following graph illustrates the history of General Fund appropriations and FTE positions.



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

1. Department of Economic Development
 - A. An increase of \$116,000 for General Fund salary adjustment across all budget units.
 - B. An increase of \$25,000 to provide additional computer support capabilities.



- C. An increase of \$1.2 million to provide 50.0% of the 25.0% match required for federal housing funds.
- D. An increase of \$2.1 million for the Strategic Investment Fund (Community Economic Betterment Account) to more closely match Program resources to demand. The Governor is also recommending a \$2.1 million supplemental appropriation for FY 1996.
- E. An increase of \$865,000 and 1.0 FTE position for the Business Development Program to absorb functions currently assigned to the Wallace Foundation. The recommended change includes:
 - 1. \$495,000 to provide funding for a Manufacturing Modernization Program to assist small and medium size companies with comprehensive modernization.
 - 2. \$90,000 and 1.0 FTE positions for Department technology programs.
 - 3. \$200,000 to provide support for the Graphic Arts Technology Center in Clinton and the Plastics Technology Center in Waverly.
 - 4. \$80,000 to support technology-based economic development planning.
- F. A decrease of \$50,000 related to the Junior Olympics allocation included in the FY 1996 appropriation, but not included in the FY 1997 request. The Governor is also recommending \$50,000 and 1.0 FTE position from the Rural Community 2000 Fund be used to expand community consultant activities to smaller cities.
- G. An increase of \$150,000 to support retraining of consortia of businesses, the loan loss reserve, expanded apprenticeship opportunities, and for other strategic purposes.
- H. A decrease of \$40,000 due to the inclusion of the Targeted Small Business Incubator appropriation for FY 1996. The Governor is not recommending this appropriation for FY 1997.
- I. An increase of \$85,000 and 2.0 FTE positions to transfer of International Trade Bureau of the Department of Agriculture and Land Stewardship (DALs) duties to the DED. The Governor's recommendation for the DALs includes a reduction of \$202,000 and 4.0 FTE positions related to the transfer.
- J. An increase of \$70,000 for foreign trade activities in the South America.
- K. An increase of \$100,000 for foreign trade efforts in Japan.

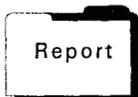


- L. A decrease of \$85,000 to eliminate one-time FY 1996 budget items.
 - M. An increase of \$75,000 for the Small Business Program to implement a "One Stop Shop" to provide a central clearinghouse for registration, permitting, and business development.
 - N. A decrease of \$1.9 million and 30.1 FTE positions due to the transfer of DED workforce development programs to the Department of Employment Services.
 - O. An increase of \$125,000 to replace indirect cost funds lost by the Department due to the transfer of workforce development programs to the Department of Employment Services.
 - P. An increase of \$125,000 from repayments to the Rural Community 2000 Fund to replace declining receipts from the Iowa Community Development Loan Fund.
 - Q. A decrease of \$2.0 million and 4.0 FTE positions due to the absorption of the Wallace Foundation's duties and funding within the Department of Economic Development. The Governor is recommending an increase of \$865,000 for the Department of Economic Development and an increase of \$851,000 for Board of Regents institutions for functions currently assigned to the Wallace Foundation.
2. Department of Employment Services
- A. A decrease of \$64,000 for the Workforce Development Initiative.
 - B. An increase of \$25,000 for travel and contract expenditures for the Workforce Development Coordinator and Council.
 - C. An increase of \$206,000 to partially replace reduced federal funding in the area of employment statistic collection and reporting.
 - D. An increase of \$2.0 million and 31.6 FTE positions due to the transfer of workforce development programs from the Department of Economic Development and the Department of Public Health.

ISSUES

The Economic Development Appropriations Subcommittee may wish to examine the following issues:

- Review recommendations contained in the Wallace Foundation's report, A Plan for Reorganization of State Funded Technology-Based Economic Development Programs. The report was requested by the General Assembly during the 1995 Legislative Session to explore the process of merging the Wallace Foundation with the Department of Economic



Development. The report recommends that the Foundation be retained in one of two suggested forms. The first would retain the strategic planning and Industrial Technology and Access Program functions at a recommended funding level of \$1.2 million. The second would retain just the strategic planning functions, with Industrial Technology and Access Program transferred to the Department of Economic Development. The report recommends Foundation funding of \$110,000 for this option. *The Governor is recommending \$80,000 to fund the second option in FY 1997.*

- Implementation of the Small Business Resource Office reorganization as required by the FY 1996 Economic Development Subcommittee Appropriations Bill. *The Governor is recommending \$75,000 to create a "One Stop" small business assistance office.*
- If the functions of the Wallace Foundation are transferred to the Department, stock and royalty payments currently held by the Foundation may have to be liquidated or transferred to another entity, such as the Iowa Seed Capital Corporation.
- The level of demand for, and the operation of, the Community Economic Betterment Account Program (CEBA). By the end of October 1995, the Program obligated all but \$2.2 million of the \$5.6 million FY 1996 allocation. The Department is requesting approximately \$9.0 million, an increase of \$3.4 million for FY 1997 to meet the level of demand for the Program. *The Governor is recommending \$7.7 million for CEBA in FY 1997, and is also recommending a \$2.0 million supplemental for FY 1996.*
- Continued coordination and prioritization of economic development programs, especially the variety of job training programs available through the Department of Economic Development. The Department amended the administrative rules of several job creation and retention programs to encourage the development of quality and higher paying jobs. *The Governor is recommending the transfer of DED workforce development programs to the Department of Employment Services.*
- The FY 1994 annual audit conducted by the Auditor of State reported a problem with the Department of Economic Development's internal control structure relating to documentation of financial aid recipients reporting of job creation and wage payment history. The audit stated "although each program has developed some monitoring procedures, they are not formally documented nor consistently applied."

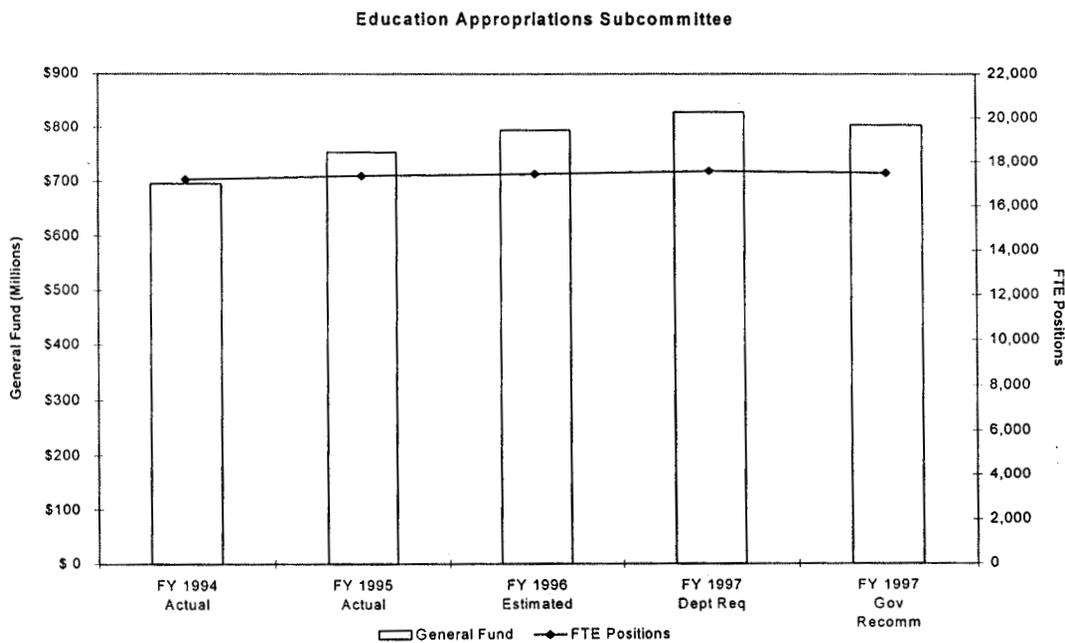
- Proposed consolidation of federal programs for workforce development could impact operations of both the Department of Economic Development and the Department of Employment Services. *The Governor is recommending the transfer of DED workforce development programs to the Department of Employment Services.*
- Proposed reductions in projected federal funding levels for job service programs could negatively impact the Department of Employment Services. Service reductions, increases in state funding, or additional funding outside of government could be necessary. *The Governor is recommending the transfer of DED workforce development programs to the Department of Employment Services.*
- *The Governor is recommending a \$2.0 million FY 1996 supplemental appropriation for tourism advertising related to the Sesquicentennial celebration.*
- *The Governor is recommending an FY 1997 General Fund appropriation of \$1.2 million to provide a portion of federal match requirements related to affordable housing.*



EDUCATION APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATION

The Governor is recommending \$805.4 million from the General Fund and 17,696.0 FTE positions for the five departments of the Education Appropriations Subcommittee. This is an increase of \$10.4 million (1.3%) and 46.7 (0.3%) FTE positions compared to estimated FY 1996. This figure does not include the Unassigned Standings, the Infrastructure Fund, and salary allocation, but does include the Iowa Telecommunications and Technology Commission which oversees the operations of the ICN. The following graph illustrates the history of General Fund appropriations and FTE positions.



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

1. College Student Aid Commission



- A. An increase of \$115,000 for funding of a new Enhanced Forgivable Loan Program at the University of Osteopathic Medicine and Health Sciences. The Program would provide ten forgivable loans of \$11,500 each for fourth year students who would agree to serve in an Iowa city with less than 20,000 population.
- B. An increase of \$3.0 million for additional funding for the Tuition Grant Program to increase the average grant from \$2,475 to

\$2,690. The maximum grant would increase from \$2,900 to \$3,150. In addition, the \$1.9 million used for students attending institutions eligible in FY 1996 that are ineligible in FY 1997, is to be used to increase the maximum grant by an additional \$70 to \$140, dependent upon the number of students transferring.

2. Department of Cultural Affairs



A. State Historical Society

1. An increase of \$32,000 to provide increased security at the State Historical Building.
2. An increase of \$25,000 to comply with a federal mandate of the Native American Graves Protection Act.

B. An increase of \$155,000 and 2.0 FTE positions for Historic Sites to begin operating the Western Historic Trails Center in Council Bluffs in May 1997.

3. Department of Education

A. An increase of \$204,000 to avoid federally mandated Order of Selection (most severely disabled receive services first) for Vocational Rehabilitation.

B. Iowa Public Television



1. An increase of \$361,000 for interconnection of the Iowa Public Television transmitters via the ICN. This is a transfer from the ICN Fund and is not new funding. An appropriation was provided for FY 1996 in HF 482 (Iowa Communications Network (ICN) Appropriations Act).

2. An increase of \$50,000 for increased program acquisition costs.

C. An increase of \$4.0 million for community college general aid.

4. Board of Regents

A. University of Iowa:

1. An increase of \$542,000 for salary annualization.
2. An increase of \$561,000 for library inflation.
3. An increase of \$250,000 for opening the Pharmacy Building addition.
4. An increase of \$250,000 for undergraduate education.
5. An increase of \$350,000 for graduate student assistance.



6. An increase of \$500,000 for biosciences.
7. A decrease of \$300,000 for one-time engineering building planning money.
8. An increase of \$321,000 for a Research Park. This is the same funding level as was received from the Wallace Technology Fund through the Department of Economic Development in FY 1996.
9. A decrease of \$277,000 for Center for Biocatalysis.

B. Iowa State University:

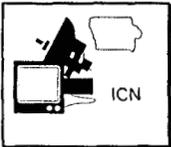
1. An increase of \$280,000 for salary annualization. 
2. An increase of \$438,000 for library inflation.
3. An increase of \$250,000 for undergraduate education.
4. An increase of \$700,000 for a healthy livestock program.
5. An increase of \$100,000 for a rural development initiative.
6. A decrease of \$75,000 from a one-time appropriation for the North American Free Trade Agreement (NAFTA) summit.
7. An increase of \$200,000 for a Pork Center and a Beef Center.
8. An increase of \$370,000 for a Research Park. This is the same funding level as was received from the Wallace Technology Fund through the Department of Economic Development in FY 1996.

C. University of Northern Iowa:

1. An increase of \$107,000 for salary annualization. 
2. An increase of \$120,000 for library inflation.
3. An increase of \$250,000 for undergraduate education.
4. An increase of \$500,000 for educator development with instructional technology.
5. An increase of \$160,000 for a metal casting program. This is the same funding level as was received from the Wallace Technology Fund through the Department of Economic Development in FY 1996.

- D. Iowa School for the Deaf:
 - 1. An increase of \$10,000 for salary annualization.
 - 2. The Governor is recommending the retention of \$52,000, a one-time appropriation for a school bus in FY 1996 to be expended on another school bus, textbooks, or accounting systems in FY 1997.
- E. Iowa Braille and Sight Saving School:
 - 1. An increase of \$10,000 for salary annualization.
 - 2. The Governor is recommending the retention of \$52,000, a one-time appropriation for a school bus in FY 1996 to be expended on another school bus, textbooks, or accounting systems in FY 1997.
- F. Tuition replacement: A decrease of \$79,000 for tuition replacement, which assumes a FY 1996 carry-over of \$488,000.

- 5. Iowa Telecommunications and Technology Commission - The Commission is the governing entity of the ICN. During FY 1996, the Commission received appropriations from the General Fund of \$20.4 million for operations, debt service, and educational support. In FY 1997, the Commission's operating appropriations will come from an enterprise fund using ICN revenues. The Governor is recommending \$17.1 million and 57.0 FTE positions from the General Fund for FY 1997.



This is a decrease of \$3.3 million and no change in FTE positions compared to estimated FY 1996. The change includes:

- A. An increase of \$250,000 to support Part III educational activities of the ICN. This amount will be transferred to Iowa Public Television.
- B. A decrease of \$2.3 million for video rate subsidization.
- C. A decrease of \$1.0 million for one-time funding of startup funds for the ICN Enterprise Fund.
- D. A decrease of \$29,000 for net debt service.
- E. A decrease of \$250,000 for one-time funding of a study regarding sale of the ICN or conversion to a public utility.

OTHER FUND CHANGES RECOMMENDED

- 1. College Student Aid Commission. The Governor is recommending:
 - A. The transfer of \$37,210 from the Tuition Grant Reserve Fund for the Iowa Grant Program to lessen the impact of the decrease from the federal State Student Incentive Grant (SSIG) Program.

- B. The transfer of \$160,000 from the Tuition Grant Reserve Fund for the College Work-study Program to maintain the 5,325 positions. The General Assembly used the same source and amount in FY 1996 to increase the money available compared to FY 1995.
 - C. The appropriation of \$4.7 million from the Stafford Loan Reserve Fund for the operation of the Stafford Loan Program. This is a decrease of \$18,000 (0.4%) compared to estimated FY 1996.
2. Department of Education. The Governor is recommending that interest on the Permanent School Fund that is being deposited in the Interest for Iowa Schools Fund be expended as follows in FY 1997:
- A. \$60,000 for the Local Arts Comprehensive Educational Strategies (LACES). This was funded from the General Fund in FY 1996.
 - B. \$35,000 for the Character Education Pilot Project. This is a new recommendation for FY 1997. However, it was funded in FY 1995 from the General Fund.
 - C. \$25,000 for the Math and Science Coalition. This is a decrease of \$25,000 from the amount funded from the Educational Excellence appropriation in FY 1996.
3. Board of Regents. The Governor is recommending:
- A. Iowa State University receive \$500,000 from the Organic Nutrient Management Fund transferred from the Department of Agriculture for a hog lot odor control pilot project. This will be addressed by the Agriculture and Natural Resources Appropriations Subcommittee.
 - B. The institutions receive \$51.0 million in FY 1997 from the Rebuild Iowa Infrastructure Fund. This will be addressed by the Transportation, Infrastructure, and Capitals Appropriations Subcommittee.

ISSUES

The Education Appropriations Subcommittee may wish to examine the following issues:

- The third year of the Primary Care Program at the University of Osteopathic Medicine and Health Sciences. Of the FY 1995 appropriation, \$120,000 was reserved for student loan buydowns in FY 1997, and \$76,000 was carried over into FY 1996. Of the FY 1995 appropriation, 49.6% was not expended. *The Governor is recommending a new Enhanced Forgivable Loan Program for fourth-year*



students who are in financial need and who agree to serve in an Iowa city with less than 20,000 population. The \$115,000 recommended appropriation is for ten loans of \$11,500 each.

- At least three (and possibly four) institutions of higher education eligible for the Tuition Grant Program in FY 1995 are not eligible for the Program in FY 1996. The College Student Aid Commission approved the grants for the students attending these institutions in FY 1996. If the affected students (800) do not transfer to an eligible institution in FY 1997, \$1.6 million awarded from the Tuition Grant Program in FY 1996 would be available for increasing the average tuition grant in FY 1997 without any additional funding. *The Governor is recommending that the financial aid provided to these students in FY 1996 and not transferring to eligible institutions in FY 1997 be used to increase the maximum grant and reduce the number of grants. The estimate is an increase ranging between \$70 and \$140 per grant.* 
- Reviewing the use of other sources of income available to the institutions under the control of the State Board of Regents, such as Treasurer's Temporary Investments, indirect cost reimbursements, tuition, and gifts and grants.
- The amount of building repair carry-over by the institutions of the Board of Regents. In FY 1995, \$8.9 million was carried over (does not include encumbrances) into FY 1996.
- The transition from the Stafford Loan Program to a direct loan program and the effect upon the College Student Aid Commission.
- The Division of Vocational Rehabilitation's progress on matching additional federal funds with other funds.
- Status of the Department of Education's Management Information System. *The Governor is recommending the same level of funding as FY 1996.*
- Progress on new and expanded programs in FY 1996 at the Department of Education, such as Career Pathways, Advanced Placement, and Career Opportunity.
- A Department of Education recommendation to eliminate the community college funding formula and to continue the current distribution of funds to community colleges.
- Review of the programs funded from the Educational Excellence appropriation. The State Board of Education has indicated a reluctance to continue funding for the New Iowa Schools Development Corporation (NISDC) due to a lack of Director accountability. Under current law, the Corporation receives \$1.3 million from the Educational Excellence appropriation. The Department of Education is requesting the same level

of funding for FY 1997. *The Governor is recommending the same level of funding as FY 1996.*

- Results of a study by the Department of Education regarding potential uses of Permanent School Fund interest. Currently the interest from the Fund is transferred to the First In the Nation in Education (FINE) Foundation and the International Center for Talented and Gifted at the University of Iowa. Both of these entities have private foundations that provide operating support.
- Elimination of the Permanent School Fund. Elimination of the Fund can only be accomplished by Constitutional amendment, but the funds may be loaned to educational entities such as K-12 schools.
- Expanded educational support as more K-12 sites become active on the ICN. The ICN is requesting an increase of \$970,000 for continued educational support by Iowa Public Television and the Regional Telecommunications Councils in addition to \$2.4 million to subsidize educational video rates. *The Governor is recommending an increase of \$250,000 for educational support and \$2.4 million to subsidize educational video rates.*

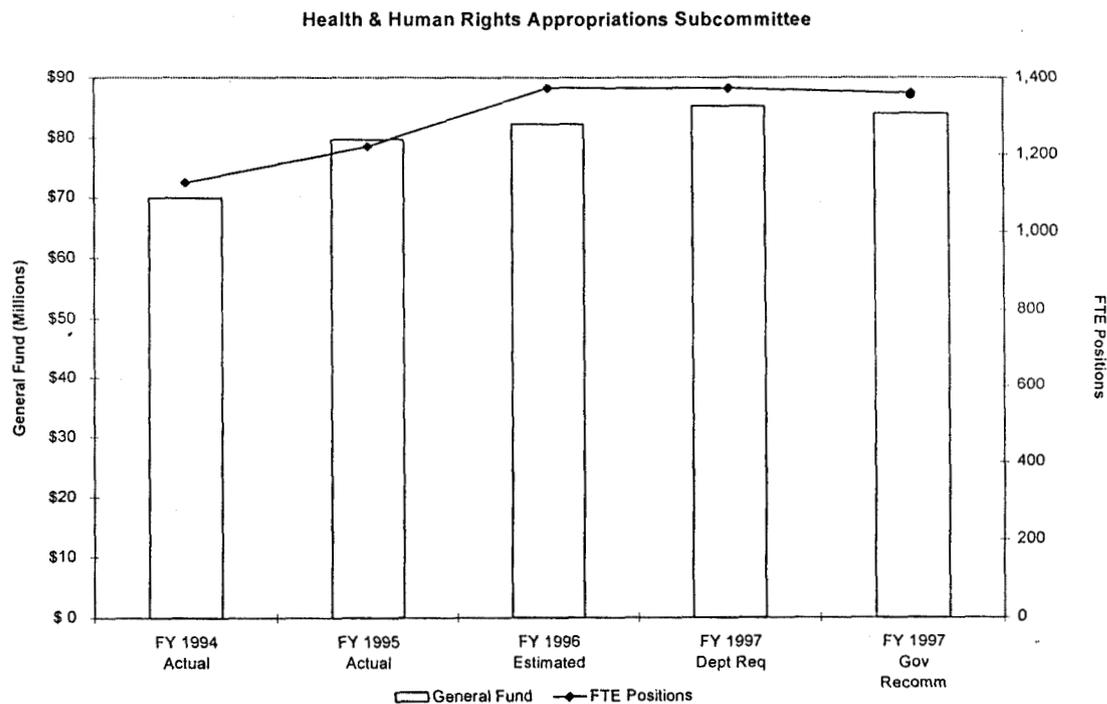




HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATION

The Governor is recommending \$84.0 million from the General Fund and 1,353.9 FTE positions for the seven departments of the Health and Human Rights Appropriations Subcommittee. This is an increase of \$1.7 million (2.1%) and a decrease of 8.7 (0.6%) FTE positions compared to estimated FY 1996. The following graph illustrates the history of General Fund appropriations and FTE positions.



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

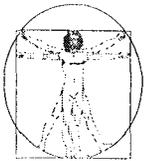
1. An increase of \$530,000 for salary annualization for the seven departments.
2. Department for the Blind - An increase of \$64,000 to expand the Independent Living and Vocational Rehabilitation Programs.

3. Department of Elder Affairs - An increase of \$500,000 to expand the Case Management Program.



4. Department of Public Health

- A. Planning and Administration Division - An increase of \$119,000 for Community Health Management Information System (CHMIS) data analysis and reimbursement of expenses for the Child Death Review Team.
- B. Health Data Commission - A decrease of \$75,000 to eliminate the Commission. The Commission is repealed and replaced by the Community Health Management Information System (CHMIS).
- C. Health Protection Division
1. An increase of \$77,000 for Tuberculosis prevention and treatment and the Mosquito Surveillance Program.
 2. A decrease of \$35,000 from the Lead Abatement Program.
- D. Healthy Family Program - An increase of \$285,000 to expand the Healthy Opportunities for Parents to Experience Success (HOPES) Program.
- E. Board of Nursing Examiners - An increase of \$46,000 and 1.0 FTE position for a health professions investigator to address the backlog of complaints.
- F. The Boards of Dental and Medical Examiners have a combined increase of \$49,000 for a Disciplinary Tracking Management Software System.



5. Department of Human Rights

- A. Deaf Services Division - A decrease of 4.0 FTE positions to eliminate the Interpreter Services Program and replace with a referral system by the Division.
- B. Persons with Disabilities Division - An increase of \$40,000 and 1.0 FTE position to provide American Disabilities Act (ADA) technical assistance to persons and businesses.
- C. Latino Affairs Division - An increase of \$41,000 and 1.0 FTE position to provide services, conduct research, and write grants.
- D. Status of Women Division - A decrease of \$72,000 and 1.5 FTE positions to transfer the Mentor Project to the Workforce Development Program.



6. Commission on Veterans Affairs: Iowa Veterans Home - An increase of \$171,000 for a 4.0% inflation factor in the J. A. Jones contract for dietary and housekeeping services.

ISSUES

The Health and Human Rights Appropriations Subcommittee may wish to examine the following issues:

- Federal funds - If federal funding is not appropriated for programs at current levels, the State must provide alternative funds, operate at a reduced level, or discontinue programs. *Any significant federal funds reforms have not been included in the Governor's recommendations. Once final budget decisions are made by Congress, the Governor may revise some of the General Fund recommendations.*
- 
- Technological advancement - Various recommendations for additional software, new computers, communication technology, and information systems may require examination on a holistic level to understand the impact of technological growth.
 - Blueprint for Iowa's Young Children Interim Committee - The Committee recommended the General Assembly appropriate \$3.2 million to expand the Healthy Opportunities for Parents to Experience Success (HOPES) Program statewide, State departments collaborate on various programs effecting young children, and report to the General Assembly the plan to collaborate, simplify, and minimize duplication. *The Governor is recommending an increase of \$285,000 in the Department of Public Health for expansion of the Healthy Opportunities for Parents to Experience Success (HOPES) Program.*
 - Case Management Program - Examine the expansion of the Program within the Department of Elder Affairs. *The Governor is recommending an increase of \$500,000 in the Department for expansion of the Program.*
 - Repeal of the Health Data Commission and implementation of the Community Health Management Information System (CHMIS) - Data reporting differences of the two entities and the revenue neutral financing goal of CHMIS.
 - Repeal of the Department of Human Rights effective July 1, 1997 - Examine whether to eliminate the Department, transfer the responsibilities of the divisions of the Department, or reverse the repeal.

- *Community Grant Fund Program - The Governor is recommending an increase in administrative funding from 1.0% to 5.0% of the Community Grant Fund Appropriation to provide support and 1.0 FTE position for data gathering and evaluation of community prevention initiatives in the areas of juvenile detention and delinquency.*



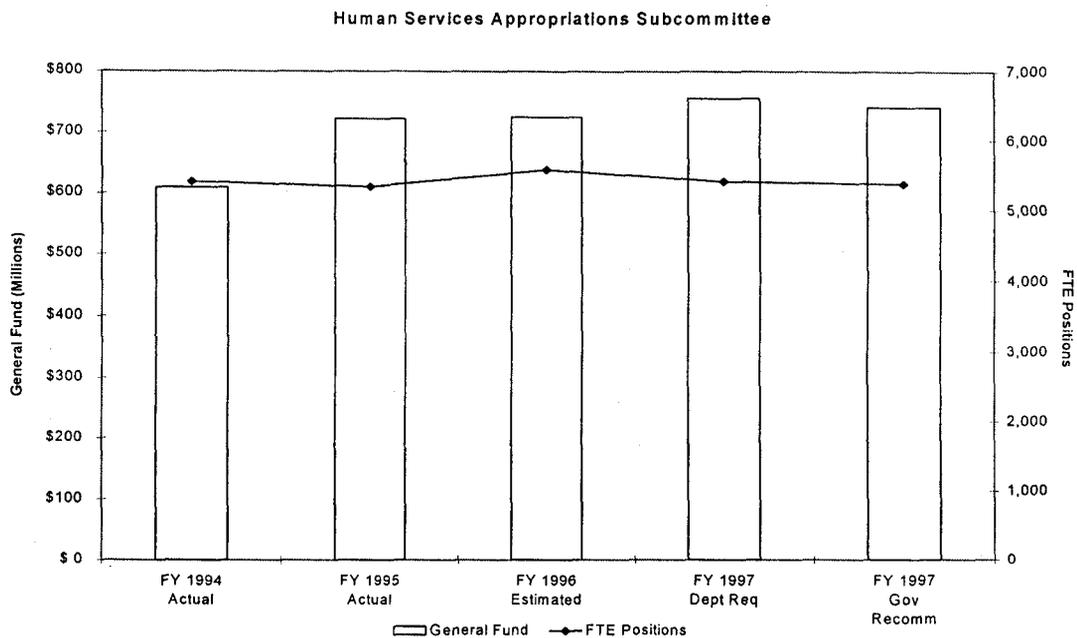
- Veterans Benefits - Examine federal services received by veterans within the State.



HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATION

The Governor is recommending \$740.5 million from the General Fund and 5,500.8 FTE positions, an increase of \$15.7 million (2.2%) and a decrease of 213.8 (3.7%) FTE positions compared to estimated FY 1996. The following graph illustrates Department of Human Services General Fund history of appropriations and FTE positions.



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

The Governor's recommendation for the Department of Human Services (DHS) for FY 1997 assumes continuation of current federal policies in all areas of the DHS budget. No assumptions have been made concerning changes in federal funding for Medical Assistance, the Family Investment Program, Child and Family Services, or the Child Support Recovery Unit.

1. Medical Services - An increase of \$15.9 million (4.2%) in State funding for Medical Services compared to estimated FY 1996. The Governor's recommendation assumes a change in the federal financial participation match rate (the rate at which the federal government matches State funds for the Medical Assistance Program) from the



State FY 1996 level of 63.82%. The latest information available indicates the federal financial participation rate will decrease to 63.26% (annualized rate). The decrease in the federal financial participation rate increases the State funding needed to operate the Medical Assistance Program by an estimated \$9.8 million. The Medical Services recommendation increase is comprised of three appropriations: Medical Assistance, Medical Contracts, and State Supplementary Assistance.



A. An increase of \$15.2 million (4.3%) for Medical Assistance compared to estimated FY 1996.

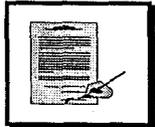
1. Adjusts provider reimbursement levels to meet the State Plan and federal requirements. The following is a list of reimbursement rate increases recommended by the Governor and associated State cost increases for FY 1997.

Category of Service	Percent Increase	General Fund Cost
Home Health Provider Reimbursement	3.3%	\$ 321,000
Rural Health Provider Reimbursement	4.6%	132,000
Nursing Facilities*	3.3%	1,797,000
Dental	3.0%	231,000
Drug Product Cost Reimbursement	5.0%	1,998,000
Total		\$ 4,479,000

*The Governor is recommending remaining at the 70th percentile. The Nursing Facilities increase listed in the table is the cost of the 55th percentile. The total cost of remaining at the 70th percentile is \$6.7 million. The total increase is comprised of \$1.8 million for the 55th percentile in addition to \$4.9 million for the 70th percentile. The Governor's recommendation assumes an annual compilation date of June 30, 1996. The maximum daily rate is assumed to be \$64.28 per day, which is an increase of \$2.06 per day (3.3%) compared to the FY 1996 rate. This is a continuation of reimbursement rates for intermediate care facilities at the 70th percentile. The 70th percentile is defined as 70.0% of the facilities with the lowest allowable costs are reimbursed for all of the costs, while the remaining 30.0% of the facilities receive only partial reimbursement and receive only the maximum daily rate.

2. The remaining proposed increases for the items not included in the base budget include:
 - a. An increase of \$1.3 million, assuming a 4.7% increase in the number of eligible Medicaid recipients.
 - b. An increase of \$9.8 million due to federal Fiscal Year 1996 federal financial participation rate decrease. Because the federal fiscal year starts in October and the State fiscal year starts in July, the State FY 1997 budget includes one quarter of the 1996 federal fiscal year federal financial participation rate. The FY 1997

federal financial participation rate decreased from 63.82% to 63.26%.

- c. A decrease of \$1.7 million due to revised estimates for intermediate care facilities and intermediate care facilities for the mentally retarded.
 - d. An increase of \$647,000 due to an increase in the Medicare premium for individuals eligible for both Medicare and Medical Assistance Program. The State pays the Medicare premium because it is less costly than Medical Assistance Program eligibility. The proposed rate increases take effect January 1, 1996.
 - e. An increase of \$264,000 for funding to implement family planning services as required under welfare reform initiatives as passed during the 1995 Legislative Session.
 - f. An increase of \$237,000 due to a 3.0% increase in the allowance for dental services.
 - g. An increase of \$173,000 to increase the reimbursement rate for durable medical equipment and supplies.
- B. An increase of \$585,000 (9.4%) for Medical Contracts compared to estimated FY 1996. The change is attributable to:
- 1. An increase of \$307,000 for the Iowa State University Home and Community Based Services Waiver contract. The contract would provide technical assistance and quality assurance staff for the Home and Community Based Waiver. 
 - 2. An increase of \$62,000 for the Health Maintenance Organization (HMO) rate setting contract.
 - 3. An increase of \$50,000 for the Managed Substance Abuse Program (MSAP) independent evaluation contract.
 - 4. An increase of \$80,000 for four new Quality Assurance and Technical Assistance contract staff for the Home and Community Based Services Waiver.
 - 5. An increase of \$61,000 due to the assumed increase in the number of eligible participants.
- C. An increase of \$75,000 (0.4%) for State Supplementary Assistance compared to estimated FY 1996. The increase is attributable to an additional decision package which would provide an amount to Mentally Retarded Waiver recipients to use as a rent subsidy for

persons leaving an intermediate care facility for the mentally retarded. The intent is to have the \$75,000 not included for maintenance of effort purposes. Maintenance of effort requires the State to fund State Supplementary Assistance at a level greater than the previous year. The sanction for not meeting maintenance of effort requirements in two successive years is the withholding of all federal Medical Assistance funds.

2. Serving Adults, Children, and Families - An increase of \$2.3 million (2.1%) in State funding and a decrease of 1.0 FTE position (0.3%) compared to estimated FY 1996. The change includes:



- A. An increase of \$1.2 million (15.6%) for Child Care Services. This increase is projected to fund subsidized child care for an additional 350 children per month. This represents a 6.7% increase to the projected subsidized child care caseload.
- B. An increase of \$54,000 (0.6%) for the State Training School at Eldora due to salary annualization.
- C. An increase of \$54,000 (1.1%) and a decrease of 1.0 FTE position (0.8%) for the Juvenile Home at Toledo due to salary annualization.
- D. An increase of \$859,000 (1.0%) for Child and Family Services. The Governor projects receipt of an additional \$27.0 million in federal funding, primarily as a result of the Medicaid Children's Services Initiative. This estimate does not reflect anticipated major changes in federal funding currently under consideration in the Congress. Major changes to programs include:
 - 1. A decrease of \$2.6 million (8.4%) for family foster care. However, due to a lower cost per child, the number of children in family foster care will increase by 165 children (6.9%).
 - 2. Continuation of the group foster care cap at 1,220. The actual average daily group foster care population in FY 1995 was 1,109, and the average population in FY 1994 was 1,097.
 - 3. An increase in the number of special needs children placed in adoptive homes by 272 children (16.5%).
 - 4. A \$1.5 million (20.0%) decrease in total spending for Family Preservation Services, reflecting a decrease of 213 children (47.7%). This is partially offset by an increase of \$691,000 (50.5%) for Family Centered Services Program, reflecting an increase of 309 children (8.5%).

5. A decrease in total spending for special needs adoption of \$200,000 (13.3%), reflecting a decrease in the number of special needs adoptions by 40 children (13.3%).
 6. A decrease of \$364,000 (16.8%) for Clinical Assessment and Consultation Teams.
 7. A decrease of \$341,000 (24.5%) for the Family and Children's Services automated database system. This reflects the conclusion of the development phase of the project.
- E. A decrease of \$68,000 (2.6%) for Community Based Prevention Services. The change includes a decrease in funding for Family Planning Services of \$100,000 and an increase of \$32,000 for neutral visitation sites for children.
 - F. An increase of \$178,000 (71.2%) for the Personal Assistance Services Program, which assists adults with disabilities to maintain their home in the community by providing money to hire a personal care attendant. The increase reflects annualization of the level of service funded by the FY 1996 appropriation.

Note: This is a pilot project with the FY 1996 appropriation funding six months of service. An estimated 3,600 people are identified as eligible for service, and the estimated annual cost to serve all of the individuals is \$27.3 million.

3. Economic Assistance - An increase of \$2.6 million (4.8%) compared to estimated FY 1996. The 1993 General Assembly changed the Aid to Families with Dependent Children Program to the Family Investment Program. Economic Assistance is comprised of the five following appropriations:
 - A. The Family Investment Program - The recommendation is an increase of \$2.0 million (6.0%) in State funding compared to estimated FY 1996. The Governor's recommendation assumes a change in the federal financial participation match rate (the rate at which the federal government match State funds for the Medical Assistance Program) from the State FY 1996 level of 63.82%. The decrease in the federal financial participation rate will increase the State funding needed to operate the Family Investment Program compared to the amount requested by an estimated \$980,000. The budget recommendation also includes:
 1. An increase of \$521,000 due to an adjusted projection for Child Support recoveries and incentives received from the federal government. Because Child Support payments for public assistance clients offset the client's Family Investment Program monthly payment, reduced recoveries result in an increased need for General Fund appropriation.

2. An increase of \$291,000 for evaluation of the Family Investment Program and the Individual Development Accounts.
 3. An increase of \$131,000 for a proposed increase in the Electronic Benefits Transfer Pilot Program. Electronic Benefits Transfer allows the transfer of Family Investment Program and food stamp benefits electronically rather than in the current form of checks or coupons. The Pilot Program currently operates for Food Stamp clients in Linn County. The expansion would include 17 counties and would cover approximately 50.0% of the Family Investment Program caseload. Statewide expansion is projected to occur in FY 1998 and is estimated to cost \$112,000 in FY 1998. The \$131,000 FY 1997 cost would pay for retailer and client training equipment, data processing support, transaction fees, supplies, and services.
 4. An increase of \$980,000 due to the decrease in the federal financial participation rate discussed previously.
- B. An increase of \$666,000 (5.6%) in the General Fund appropriation for the Promise Jobs Program compared to estimated FY 1996. The Promise Jobs program provides education and training services to clients who are currently on the waiting list. The increase is due welfare reform changes initiated during the 1995 Legislative Session. The change requires parenting classes for teens on public assistance and also reduces the Promise Jobs exemption for new parents. Formerly, public assistance recipients with children less than six months of age were exempted from participation in Promise Jobs. During the 1995 Legislative Session, the exemption was reduced from six months to children less than three months of age.
- C. An increase of \$106,000 (1.7%) and no change in FTE positions for the Child Support Recoveries Unit compared to estimated FY 1996. The change includes an increase of \$96,000 for increases in costs for utilities, office supplies, contracts, and other support. The remainder of the increase is due to general cost increases contained in the base budget.
- D. No change in the appropriation for Emergency Assistance of \$1.8 million compared to estimated FY 1996. The Emergency Assistance appropriation provides up to \$500.00 per year to families with children under the age of 18.



E. A decrease of \$127,000 (13.8%) and 3.0 FTE positions (15.0%) compared to estimated FY 1996 in the X-PERT automated eligibility system. The decrease is due to reduced development expenditures as the system nears implementation. Statewide implementation is projected for calendar year 1996.

4. Services for Persons with Mental Illness/Mental Retardation/Developmental Disabilities/Brain Injuries - A decrease of \$6.8 million (5.1%) and a decrease of 212.6 FTE positions (8.1%) compared to estimated FY 1996. The change includes:

A. A decrease of \$1.1 million (3.1%) and 37.5 FTE positions (4.1%) at the State Hospital School at Glenwood. The changes include:

1. An increase of \$256,000 due to salary annualization.
2. A decrease of \$1.4 million and 37.5 FTE positions due to closing living units. The Governor's recommendation reflects the annualized savings from the planned closing of a 15-bed living unit on January 1, 1996, the full-year savings from the planned closing of a 15-bed unit on July 1, 1996, and the partial-year savings from the planned closing of a 15-bed unit on January 1, 1997. The operating capacity of the institution will decrease from the current level of 425 to 380 at the end of FY 1997, a decrease of 10.6%.



Note: Approximately 66.2% of the savings will benefit the federal government in the form of reduced billings for Medical Assistance and Medicare, while approximately 30.1% of the savings will benefit counties. However, savings will likely be offset by increased costs in community-based programs such as Intermediate Care Facilities for the Mentally Retarded.

B. A decrease of \$3.7 million (12.0%) and 112.5 FTE positions (14.9%) at the State Hospital School at Woodward. The changes include:

1. A decrease of \$1.3 million and 41.0 FTE positions due to closing living units. The Governor's recommendation reflects the annualized savings from the planned closing of a 15-bed living unit on January 1, 1996, and the partial-year savings from the planned closing of two 15-bed units on January 1, 1997. The operating capacity of the institution will decrease from the current level of 312 to 265 at the end of FY 1997, a decrease of 15.1%.



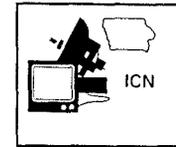
Note: Approximately 60.8% of the savings will benefit the federal government in the form of reduced billings for Medical Assistance and Medicare, while approximately 35.6% of the savings will benefit

counties. However, savings will likely be offset by increased costs in community-based programs such as Intermediate Care Facilities for the Mentally Retarded.

2. A decrease of \$2.4 million and 71.5 FTE positions due to a realignment of support and direct care staff, in order to reduce over-all staffing ratios and per diem costs.
- C. A decrease of \$1.6 million (10.6%) and 25.1 FTE positions (7.6%) at the Mental Health Institute at Cherokee. The change includes:
1. An increase of \$272,000 due to salary annualization.
 2. A decrease of \$1.6 million and 25.1 FTE positions due to a realignment of support and direct care staff, in order to reduce over-all staffing ratios and per diem costs. The operating capacity of the institution will decrease from the current 140 beds to 110 beds (21.4%) at the end of FY 1997.
 3. A decrease of \$240,000 due to a phase out of the psychiatric residency program.
- D. A decrease of \$893,000 (5.0%) and 35.0 FTE positions at the Mental Health Institute at Independence. The change includes:
1. An increase of \$338,000 due to salary annualization.
 2. A decrease of \$713,000 and 21.0 FTE positions due to closing 20 adult psychiatric beds.
 3. A decrease of \$518,000 and 14.0 FTE positions due to closing 12 children's beds.
- Note: The operating capacity of the institution will decrease from the current 213 beds to 181 beds (15.0%) at the end of FY 1997.
- E. An increase of \$484,000 (8.9%) for the State Case Program, which provides services for Iowa residents who do not have legal settlement in a county. The Program pays for the same county authorized services the county of residence would pay for if the person had legal settlement. The increase reflects projected increases in utilization of the Program by the mentally ill and developmentally disabled populations.
5. Managing and Delivering Services - An increase of \$1.7 million (3.4%) in State funding and 34.0 FTE positions (14.2%) compared to estimated FY 1996. The change includes:
- A. An increase of \$850,000 (7.7%) for General Administration and 3.0 FTE positions (0.1%) compared to estimated FY 1996. The change includes:



1. An increase of \$500,000 to provide funding for communication and network services provided by the Department of General Services, the Iowa Communications Network, and local exchange carriers.



2. An increase of \$10,000 to implement family cap provisions in the Family Investment Program. Family cap provisions specify that a family's benefit for the Family Investment Program will not increase if the family size increases after initial participation in the Family Investment Program.

B. An increase of \$818,000 and 5.0 FTE positions for Training and Technology. The change includes:

1. Training and skill development courses and the reimbursement of expenses for staff in Field Operations, Mental Health Institutions, State Hospital Schools, Juvenile Institutions, Child Support Recovery Unit, and General Administration (\$550,000).
2. Provides funding for a training coordinator in each region to arrange for training to meet the needs of field staff (\$133,000).
3. Provides funding for software upgrades on network servers and personal computers to accommodate new and improved systems (\$135,000).
4. The Governor is recommending that \$1.0 million in funding for hardware upgrades to the DHS network and increased memory for additional computers be appropriated in the Transportation, Infrastructure and Capitols Appropriations Subcommittee bill.



ISSUES

The Human Services Appropriations Subcommittee may wish to examine the following issues:

- Federal Reform: *The Governor's FY 1997 recommendation assumes continuation of existing federal policies and funding.* It is likely that reform at the federal level will have substantial impacts on both funding and policies for nearly all of the major programs in the DHS. At the current time, the largest budget impact appears to be in the Medical Assistance Program, with lesser (but significant) impacts in Adult, Children, and Family Services, and the Family Investment Program.



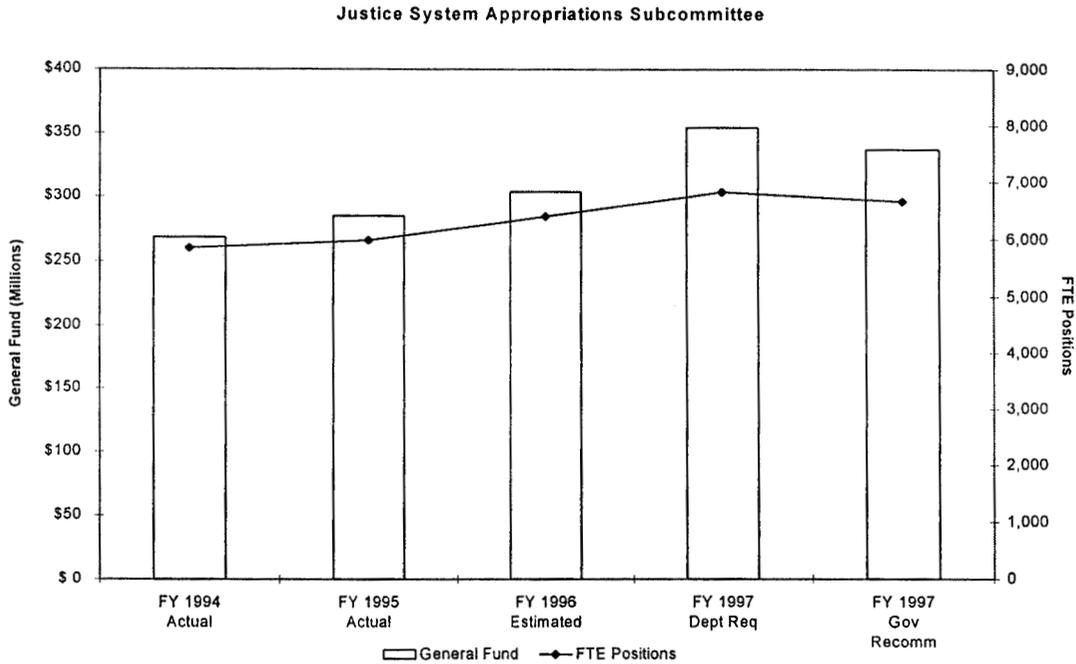
- *The Governor is recommending \$1.8 million in spending cuts due to welfare reform changes.* The changes were implemented in prior years and the \$1.8 million figure is the FY 1997 estimate of avoided costs. 
- **Managed Mental Health Care:** The Mental Health Access Plan was implemented March 1, 1995. Since implementation there have been significant concerns about the payment for services and the creation of alternative services which are a significant part of the originally projected cost savings. Although many of the concerns regarding payment processing appear to have been resolved, the Subcommittee may wish to examine both the estimated cost savings attributable to the Mental Health Access Plan and the contractor's success at creating alternative services to inpatient services.
- **Welfare Reform:** Although the first five months of FY 1996 indicate some success in the reduction in caseloads and costs, the Subcommittee may wish to continue monitoring the ongoing success of welfare reform efforts in Iowa. Cost per case, caseload, and overall spending have been within budget for the first five months of FY 1996, however, the key indicators need to continue to fall during the remainder of FY 1996 to meet the budget. During FY 1995, \$5.5 million was transferred from the Medical Assistance Program in the Department of Human Services to meet a shortfall in the FY 1995 budget.
- **Automated Eligibility Determination System:** The DHS has made a major commitment of resources to development of an automated eligibility determination system. The system was developed to respond to frequent changes in the eligibility rules for the Family Investment Program, Food Stamps, State Supplementary Assistance, and Medical Assistance. With Congress likely to transfer major responsibility for some of these programs to the states, program simplification may obviate the need for the automated eligibility determination system. The General Assembly may wish to review the continued cost-effectiveness of the X-PERT project before committing additional funding. *The Governor's recommendation is for a reduction of \$127,000.*
- **DHS Institutions:** The four Mental Health Institutes and the two State Hospital Schools have experienced substantial decreases in population over the last ten years. Since FY 1984, the average daily census at the Mental Health Institutes has decreased 46.1%, with the decrease during the same time period at the State Hospital Schools being 37.0%. *The Governor's recommendation assumes further reductions in population at the facilities.* The General Assembly may wish to consider the cost-effectiveness and impact upon client services of consolidating these institutions.



JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

FY 1997 GOVERNOR'S RECOMMENDATION

The Governor is recommending \$336.9 million from the General Fund and 6,664.2 FTE positions for the eight departments of the Justice System Appropriations Subcommittee. This is an increase of \$33.4 million (11.0%) and 257.9 (4.0%) FTE positions compared to estimated FY 1996. The following graph illustrates the history of General Fund appropriations and FTE positions.

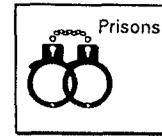


SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

1. Department of Justice
 - A. An increase of \$126,000 and 2.0 FTE positions for the Prosecuting Attorney Training Coordinator's Office to coordinate and implement specialized services for crimes against persons.
 - B. A decrease of \$529,000 for the Office of the Consumer Advocate. The FY 1996 budget included a one-time expenditure of \$520,000 for consulting services.

2. Department of Corrections

A. Institutions



1. An increase of \$7.4 million and 69.4 FTE positions for startup of the new Newton prison and to annualize operations costs for the new prison at Clarinda.
2. An increase of \$1.1 million to fund an additional 250 inmates at the new Clarinda prison.
3. An increase of \$476,000 and 14.0 FTE positions to fully fund positions filled with funds carried forward from FY 1995. Senate File 459 required the Department to carry forward unexpended FY 1995 funds and hire correctional officers and purchase needed safety and surveillance equipment.
4. An increase of \$200,000 and 3.0 FTE positions for inmate work crews at Ft. Madison, Mt. Pleasant, and Clarinda institutions.
5. An increase of \$649,000 and 9.5 FTE positions for staffing and equipment to reopen Cellhouse 17 at Ft. Madison, providing an additional 200 maximum security beds.
6. A decrease of \$1.1 million for one-time FY 1996 expenditures at the Clarinda prison.
7. A decrease of \$253,000 for savings from contracting for medical services.
8. An increase of \$253,000 employee training and safety programs.

B. Central Office

1. An increase of \$400,000 for inmate education.
2. An increase of \$62,000 and 1.0 FTE position for a training officer.

C. Community-Based Corrections

1. An increase of \$413,000 and 5.8 FTE positions to replace expired Governor's Alliance on Substance Abuse (GASA) funding and to expand various education/treatment and accountability development programs (Youthful Offender Program, Domestic Batterers' Education Program, Day Programming, Day Reporting, and Community Service).

2. An increase of \$50,000 and 1.0 FTE position for supervised offender work crews in District VIII.

3. Judicial Department

- A. An increase of \$2.5 million and 5.0 FTE positions to implement the Iowa Court Information System (ICIS) in the remaining 44 counties and for additional Information System Specialists.
- B. An increase of \$2.3 million and 36.0 FTE positions for 13 District Court Judges, 13 Court Reporters, seven Court Attendants, two Legal Assistants, and one Case Coordinator. The FTE positions will be assigned to specific Judicial Districts pursuant to Section 602.6201, Code of Iowa.
- C. An increase of \$875,000 and 34.7 FTE positions for 25.7 Trial Clerk positions, three Juvenile Court Officers, three Juvenile Court Specialist II, and three Secretaries.
- D. An increase of \$572,000 and 20.5 FTE positions for 11.5 Court Attendants, four Court Reporters, one Financial Aide, one Case Coordinator, one Legal Assistant, and two Court of Appeals' Screening Attorneys.
- E. An increase of \$140,000 to raise the salaries of the 12 Associate Juvenile Judges and the Associate Probate Judge to the salary level of the District Associate Judges.
- F. An increase of \$89,000 and 2.0 FTE positions to establish a planning division in the State Court Administrator's Office.
- G. An increase of \$172,000 and 4.8 FTE positions for the Court-Appointed Special Advocate (CASA) Program to provide additional Coordinators to help recruit and train volunteers.
- H. An increase of \$469,000 to implement records management using CD ROM imaging in the Clerk of Court Office.
- I. An increase of \$353,000 for remodeling projects in the First, Third, and Sixth Judicial Districts to use existing space more effectively.
- J. An increase of \$67,000 and 2.0 FTE positions to establish a pilot project at the Clerk of Court level to improve court compliance and collections of fines, fees, and costs owed.
- K. An increase of \$475,000 to provide funding to move employees that are currently paid from the Judicial Department's exempt pay plan up to the level of the AFSCME pay plan.



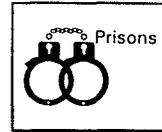
- L. An increase of \$575,000 for additional funding needed for the Judicial Retirement Fund. This request includes \$129,000 that was not funded in FY 1996.
 - M. A decrease of \$4.0 million for the continuation of the Enhanced Court Collections Fund.
4. Iowa Law Enforcement Academy
- A. An increase of \$25,000 to initiate the lease-purchase of a copy machine.
 - B. An increase of \$22,000 for continued training of academy instructional staff.
5. Department of Public Defense
- A. Military Division
 - 1. A decrease of \$167,000 and 1.0 FTE position for a reduction in facilities maintenance.
 - 2. An increase of \$71,000 for operations and utilities of the new Maintenance Armory opening at Camp Dodge.
 - 3. An increase of \$35,000 in Army and Air Guard operations and maintenance agreements.
 - 4. An increase of 7.0 FTE positions (federally funded for FY 1997) to facilitate the development of local volunteer support and local usage of the ICN armory classrooms and to coordinate usage, scheduling, and equipment maintenance. One coordinator is assigned to each Lightway Research Project Regional Management Area.
 - B. Emergency Management Division
 - 1. An increase of \$30,000 for the annual telephone charges for telephones installed at the State Emergency Operations Center in FY 1996.
 - 2. An increase of \$50,000 and 1.0 FTE position for a hazard mitigation officer.
6. Department of Public Safety
- A. Iowa State Patrol - An increase of \$9.0 million and 13.5 FTE positions. Senate File 481 (Transportation and Capitals Appropriation Act) shifted the funding for the Highway Patrol to the General Fund over four years beginning in FY 1997.
 - B. Division of Criminal Investigation - An increase of \$41,000 and 6.0 FTE positions to reduce turn-around-time in the Laboratory and for pari-mutuel enforcement.

- C. Division of Narcotics Enforcement - An increase of \$112,000 and 2.0 positions in the Intelligence Bureau.
 - D. Fire Marshal Division - An increase of \$28,000 and 0.8 FTE position to add a new Fire Inspector to meet the inspection requirements of the Health Care Financing Administration (HCFA).
7. Department of Inspections and Appeals
- A. Indigent Defense Program - An increase of \$5.7 million due to an increased need for court-appointed counsel for indigent representation.
 - B. Public Defender's Office - An increase of \$1.5 million and 28.7 FTE positions for expansion of the public defender's office.

ISSUES

The Justice System Appropriations Subcommittee may wish to examine the following issues:

1. Department of Corrections
- A. Prison overcrowding - Iowa prison population forecasts show the inmate population is growing by approximately 400 inmates per year.
 - 1. New prisons and associated costs - The prison population on December 1, 1995, was 164.6% of design capacity. The new prison at Clarinda is scheduled to open in February 1996, and the Newton prison is to open in July 1997. The projected population will be 132.1% of design capacity after both prisons are operating. To keep pace with the current growth rate, a new prison comparable to the new Newton facility will need to be added every two years. Each new prison will cost approximately \$35.0 million for construction and approximately \$14.0 million annually to operate. *The Governor is recommending that another 750-bed medium security prison be built beginning in FY 1997 and the renovating and reopening Cellhouse 17 (200 maximum security beds) at Ft. Madison.*
 - 2. Prison overcrowding and safety - Increased prison crowding leads to concern for safety of staff and inmates. There is also a potential for inmate lawsuits over prison conditions.
 - 3. Prison visitation facilities - The Mitchellville prison received an appropriation of \$100,000 in FY 1996 to remodel the visitation area to address the increased needs associated with the growing inmate population. The options proposed by the



Department could not be accomplished for this amount. The Legislative Fiscal Committee requested the Justice System Appropriations Subcommittee review the visitation issue for Mitchellville and the other prisons.

- B. Prison Education - Research suggests inmate education increases employability of released inmates and reduces recidivism. *The Governor is recommending a 21.6% increase for educational programs.*
- C. House File 215 (Inmate Hard Labor Act) - Prison inmates will be required to perform hard labor for 40 hours per week. The program is to be phased in and fully implemented by July 1, 1997. *The Governor is recommending initiation of inmate work crews for three prisons and one Community-Based Corrections District Department.*
- D. Intermediate Criminal Sanctions by Community-Based Corrections - The Second and Sixth Community-Based Corrections District Departments are conducting Intermediate Criminal Sanctions pilot projects, and other Districts have requested funding to increase surveillance levels and intensive supervision of high-risk offenders. *The Governor is recommending expanding day reporting, intensive supervision, youthful offenders, and supervised work crew programs.*
- E. Prison and Community-Based Correction District Departments treatment programs - The Department does not employ staff to evaluate programs for effectiveness nor does the Department often contract for program evaluations.

2. Judicial Department

- A. Iowa Court Information System (ICIS) - Funding has been requested to extend the Department's computer system to the remaining 44 counties. The system needs to be reviewed for efficiency, for the usefulness of the information in management decision-making, and for its ability to share information with other branches of government.



- B. Collection of fines and fees - In FY 1996, the Enhanced Court Collections Fund was added to the other programs intended to reduce the uncollected fines and fees. These efforts need to be reviewed to determine the impact on collections. *The Governor is recommending continued use of the Enhanced Court Collections Fund.*
- C. Staffing and workload - In FY 1996, the number of judges and support staff were increased. Caseloads and staffing levels need to be reviewed to determine if further adjustments are needed.

3. Department of Public Defense

A. Army and Air National Guard strength - The Guard is attempting to attract new recruits and maintain its full strength posture in a time when public interest in serving in the military is declining.



B. Facilities maintenance - A major emphasis for the Department's budget request continues to be meeting maintenance needs. The addition of new lands and construction of new buildings expands the Department's maintenance requirements.

C. Armory ICN classrooms - The Department is continuing the federally funded program to put ICN classrooms in armories. The classrooms are to be available for local community use when not being used for military training.

4. Department of Public Safety - The gambling industry may continue to expand in Iowa. Staffing for riverboats and for horse and dog race tracks with slot machines, along with the associated background checks, may need to be reviewed.

5. Public Defender and Indigent Defense Program - The demand for legal counsel by indigent offenders appears to be growing faster than anticipated. The caseloads need to be reviewed to determine the adequacy of staffing and funding that was increased in FY 1996. *The Governor is recommending expanding the Public Defender's Office and increasing the funding for indigent defense.*

OVERSIGHT, AUDIT AND GOVERNMENT REFORM SUBCOMMITTEE

The Oversight, Audit and Government Reform Appropriations Subcommittee is not included in the Summary of FY 1997 Budget and Governor's Recommendations Document as each department or agency may be affected by the Subcommittee.



TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE

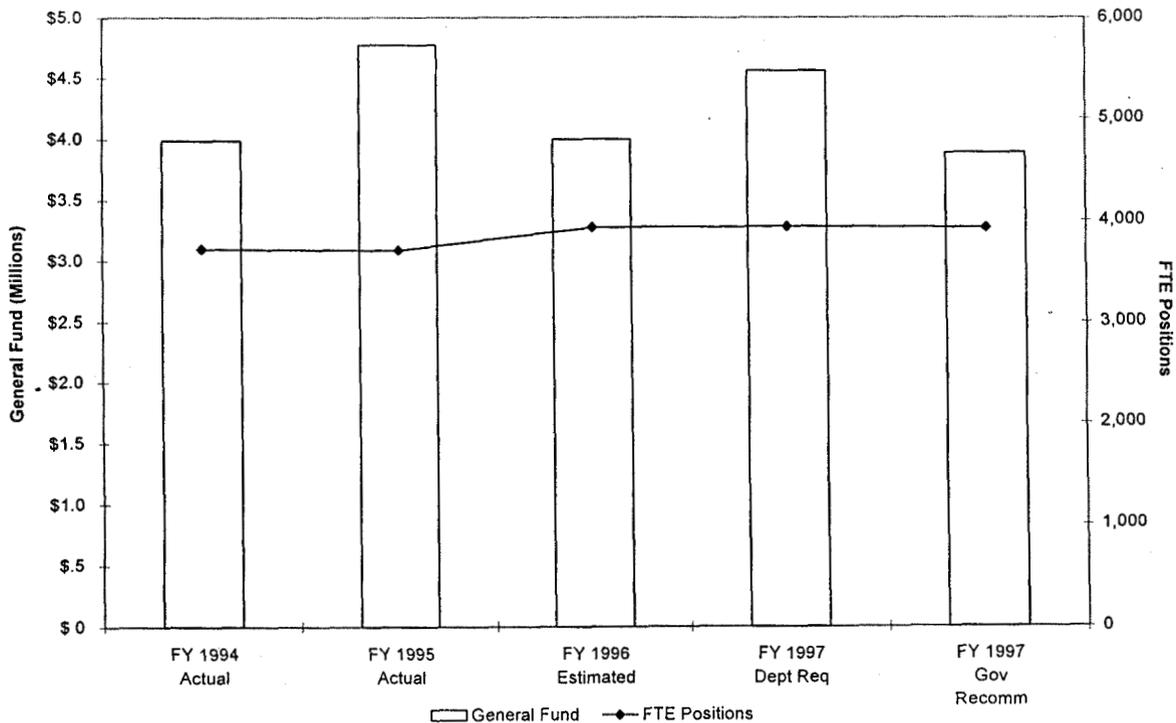
FY 1997 GOVERNOR'S RECOMMENDATION

The Governor is recommending \$5.7 million from the General Fund for the Transportation, Infrastructure, and Capitals Appropriations Subcommittee. This is an increase of \$87,000 (1.6%) compared to estimated FY 1996.

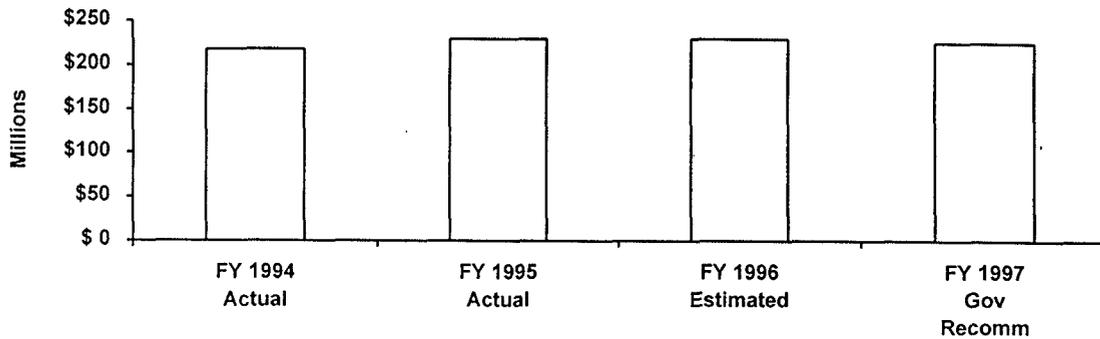
DEPARTMENT OF TRANSPORTATION OPERATIONS

The Governor is recommending \$229.6 million for operations and 3,930.0 FTE positions for the Department of Transportation (DOT). This is a decrease of \$4.4 million (1.9%) and no change in FTE positions compared to estimated FY 1996. Of this amount, \$3.9 million is being recommended from the General Fund, a decrease of \$113,000 (2.8%) and \$225.7 million from other funds, a decrease of \$4.3 million (1.9%) compared to estimated FY 1996. The following tables illustrate the history of General Fund and other fund appropriations and FTE positions for the DOT.

Department of Transportation Operations



**Department of Transportation
Other Fund Appropriations**



SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- A decrease of \$268,000 from the Railroad Assistance and Rail Economic Development Programs.
- An increase of \$138,000 for the State Aviation Assistance Program.

SIGNIFICANT OTHER FUND CHANGES RECOMMENDED

- A decrease of \$722,000 (2.4%) for the Operations and Finance Division.
- A decrease of \$168,000 (2.0%) for the Planning and Programming Division.
- A decrease of \$1.1 million (2.0%) for the Project Development Division.
- A decrease of \$2.0 million (2.0%) for the Maintenance Division.
- A decrease of \$465,000 (2.0%) for the Motor Vehicle Division.
- A decrease of \$200,000 (20.0%) for indirect General Fund cost recovery.
- An increase of \$225,000 (21.0%) for increased lease costs of motor vehicle license digitized imaging equipment.

ISSUES

The Transportation, Infrastructure, and Capitals Appropriations Subcommittee may wish to examine the following issues:

- Review of the six counties involved in issuing motor vehicle licenses in southwest Iowa. Beginning in FY 1996, the counties are issuing licenses on a permanent basis and are allowed to recover county costs from the license fees up to \$5.00 per transaction. Last year the federal Highway Administration cited concerns about the service being provided.
- Review of the Integrated Roadside Vegetation Management Program. In prior years there has been concern about the level of funding for the Program far exceeding the expenditures. The Legislative Fiscal Bureau is conducting an evaluation of the Program to determine its effectiveness and appropriate funding levels.
- Examination of the DOT's winter road maintenance policy of providing service to all levels of primary roads and the cost implications.
- Examination of rest area maintenance policies and service, and associated costs. In February 1995, the DOT terminated a \$1.2 million contract with the DTH Company due to inadequate performance. As an alternative, the DOT contracted to numerous small Iowa contractors and increased the level of service to 24-hours. The current contracts total approximately \$2.4 million. The DOT is requesting \$1.5 million in FY 1997 to cover increased costs of rest area maintenance.
- Recommendations of the Governor's Blue Ribbon Task Force on Transportation to increase the amount of Road Use Tax Fund dollars applied to road construction. The Task Force hired a consultant to assist in the development of a report submitted to the Governor in December. The Report identifies approximately \$33.7 million in annual savings in road fund dollars and a one-time savings of \$65.0 million. The savings are estimated to occur at the state, city and county level. *The Governor supports many of the recommendations of the Task Force.*
- *Examination of the impact of the Governor's recommendations on the use of Road Use Tax Funds and highway construction.*
- Review of the DOT's procedures and policies pertaining to programming highway construction projects within the Five-Year Transportation Improvement Program, and improving legislative oversight of the highway construction program.



CAPITAL PROJECTS

The Governor is recommending \$102.1 million for capital projects from three funding sources. The following table shows the recommendations by funding source and agency.

Governor's FY 1997 Recommendations Capital Projects (Dollars in Millions)

State Agency	General Fund	Infrastructure Fund	Primary Road Fund	Total
Corrections	\$	\$ 0.15	\$	\$ 0.15
General Services		24.30		24.30
Human Services		1.00		1.00
Natural Resources	1.80			1.80
Public Defense		0.40		0.40
Public Safety		0.30		0.30
Regents		51.00		51.00
Transportation			2.38	2.38
Telecomm. & Tech. Comm.		20.81		20.81
Total	\$ 1.80	\$ 97.96	\$ 2.38	\$ 102.14

SIGNIFICANT INFRASTRUCTURE FUND CAPITAL PROJECT RECOMMENDATIONS

DEPARTMENT OF HUMAN SERVICES: \$1.0 million for computer upgrades.

BOARD OF REGENTS:

- \$6.5 million for construction of the performing arts/music building at the University of Northern Iowa.
- \$15.3 million for construction of an intensive livestock research facility at Iowa State University.
- \$14.9 million for renovation of the biological sciences building at the University of Iowa.
- \$6.1 million for construction of an engineering teaching and research complex at Iowa State University.
- \$5.9 million for renovation of the engineering building at the University of Iowa.
- \$2.3 million for the construction of a building to house the National Advanced Driving Simulator.

DEPARTMENT OF GENERAL SERVICES:

- \$9.3 million for exterior restoration of the State Capitol Building.
- \$2.8 million for interior restoration of the State Capitol Building which will include removal of the mezzanines; new electrical distribution system; new heating, ventilation, and air conditioning system; a sprinkler system; handicapped accessibility improvements; and restoration of walls and murals.
- \$5.4 million for renovation of the Old Historical Building.
- \$6.5 million for general health, life, and fire safety improvements to state facilities.

IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION: \$20.8 million for continued funding of Part III of the Iowa Communications Network.

SIGNIFICANT PRIMARY ROAD FUND CAPITAL PROJECT RECOMMENDATIONS

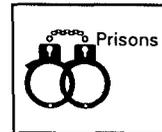
DEPARTMENT OF TRANSPORTATION:

- \$1.5 million for construction of maintenance garages in Anamosa and Southeast Des Moines.
- \$510,000 to remodel the North Annex Building in Ames.

ISSUES

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to capital projects.

- Development of a priority list of capital projects based on the type of improvements (i.e., deferred maintenance, fire safety, handicap access, etc.) to assist the Subcommittee in making spending decisions.
- *Review of the Governor's FY 1997 recommendation to fund the Rebuild Iowa Infrastructure Fund with an estimated \$23.4 million in gambling receipts. Based on the Governor's recommendation, the Fund will have an estimated beginning balance of \$48.9 million in FY 1997 and will receive an estimated \$26.4 million in interest revenue.*
- *Review of the Governor's FY 1997 recommendation to bond for a 750 medium security bed facility and the renovation of Cell House 17 at Fort Madison. The estimated cost for construction of the medium security facility is \$34.5 million. The estimated cost for renovation of Cell House 17 is \$6.5 million.*



APPENDIX A

FY 1997 GENERAL FUND GOVERNOR'S RECOMMENDATIONS



General Fund Appropriations

Summary

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Admin. & Regulation	\$ 86,021,674	\$ 86,627,865	\$ 87,307,477	\$ 112,006,076	\$ 25,378,211	29.3%
Ag. & Natural Resources	43,106,487	44,760,523	51,445,029	46,368,806	1,608,283	3.6%
Economic Development	36,858,748	34,593,399	39,442,504	37,632,788	3,039,389	8.8%
Education	751,750,733	795,029,683	828,765,247	805,401,354	10,371,671	1.3%
Health & Human Rights	79,706,429	82,241,671	85,187,233	83,990,026	1,748,355	2.1%
Human Services	722,290,231	724,819,728	755,531,136	740,515,596	15,695,868	2.2%
Justice System	284,974,003	303,528,641	354,342,640	336,936,425	33,407,784	11.0%
Trans. & Capitals	6,606,574	5,600,000	123,704,939	5,687,000	87,000	1.6%
Unassigned Standings	1,630,050,390	1,763,214,278	1,849,134,729	1,882,336,637	119,122,359	6.8%
Total Appropriations	\$ 3,641,365,269	\$ 3,840,415,788	\$ 4,174,860,934	\$ 4,050,874,708	\$ 210,458,920	5.5%

General Fund Appropriations

Admin. & Regulation Subcommittee

	Actual FY 1995	Estimated FY 1996	Dept Req FY 1997	Gov Recomm FY 1997	Gov Rec vs FY 1996	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)

Auditor Of State

Auditor - General Office	\$ 1,242,525	\$ 1,327,533	\$ 1,390,400	\$ 1,344,845	\$ 17,312	1.3%
Campaign Finance	\$ 433,291	\$ 382,824	\$ 503,736	\$ 435,554	\$ 52,730	13.8%

Commerce, Department Of

Commerce Administration	\$ 212,331	\$ 233,019	\$ 976,758	\$ 976,758	\$ 743,739	319.2%
Alcoholic Beverages Div	1,851,665	1,878,379	1,547,685	1,481,412	-396,967	-21.1%
Banking Division	5,305,064	5,437,930	5,501,878	5,501,878	63,948	1.2%
Credit Union Division	1,033,772	1,058,893	1,032,456	1,032,456	-26,437	-2.5%
Insurance Division						
Insurance Division	2,838,914	2,986,623	3,103,469	2,918,469	-68,154	-2.3%
Ins. Actuarial Study	0	25,000	0	0	-25,000	-100.0%
Total Insurance Division	2,838,914	3,011,623	3,103,469	2,918,469	-93,154	-3.1%
Professional Lic Div	892,756	913,558	931,870	837,510	-76,048	-8.3%
Utilities Division	4,843,262	5,185,169	5,240,004	5,177,916	-7,253	-0.1%
Total Commerce, Department Of	\$ 16,977,764	\$ 17,718,571	\$ 18,334,120	\$ 17,926,399	\$ 207,828	1.2%

Legislative Branch

NCSL	\$ 85,531	\$ 87,719	\$ 91,427	\$ 91,427	\$ 3,708	4.2%
Claims for Var. Persons	3,371	0	0	0	0	
Uniform State Laws	19,749	20,803	22,741	22,741	1,938	9.3%
Total Legislative Branch	\$ 108,651	\$ 108,522	\$ 114,168	\$ 114,168	\$ 5,646	5.2%

General Fund Appropriations

Admin. & Regulation Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
General Services, Dept Of						
Gen Services Admin.	\$ 466,740	\$ 1,176,948	\$ 1,188,790	\$ 1,188,790	\$ 11,842	1.0%
Information Services Div.	5,772,152	5,588,408	5,623,195	5,623,195	34,787	0.6%
Property Management	3,809,659	3,971,388	3,994,346	4,044,346	72,958	1.8%
Utilities	1,995,288	2,061,857	2,058,683	2,058,683	-3,174	-0.2%
Rental Space	590,934	607,955	656,104	656,104	48,149	7.9%
Terrace Hill Operations	165,575	165,356	188,701	188,701	23,345	14.1%
Capitol Planning Comm.	1,256	2,000	2,000	2,000	0	0.0%
Communications	171,933	0	0	0	0	
Printing/Mail	836,880	0	0	0	0	
Total General Services, Dept Of	\$ 13,810,417	\$ 13,573,912	\$ 13,711,819	\$ 13,761,819	\$ 187,907	1.4%
Governor						
General Office	\$ 1,068,455	\$ 1,108,739	\$ 1,154,181	\$ 1,154,181	\$ 45,442	4.1%
Admin. Rules Coordinator	104,048	108,336	111,781	111,781	3,445	3.2%
Terrace Hill Quarters	50,975	66,595	67,254	67,254	659	1.0%
Ad Hoc Committee Expense	1,610	1,610	1,610	1,610	0	0.0%
National Governor's Assoc	74,435	74,435	74,435	74,435	0	0.0%
Expense of Office	2,416	2,416	2,416	2,416	0	0.0%
Total Governor	\$ 1,301,939	\$ 1,362,131	\$ 1,411,677	\$ 1,411,677	\$ 49,546	3.6%
Inspections & Appeals						
Inspections And Appeals						
Finance and Services Div.	\$ 492,734	\$ 490,109	\$ 495,682	\$ 495,682	\$ 5,573	1.1%
Audits Division	350,061	369,663	372,432	372,432	2,769	0.7%
Appeals and Fair Hearings	218,498	271,317	170,823	170,823	-100,494	-37.0%
Investigations Division	722,692	729,116	756,040	756,040	26,924	3.7%
Health Facilities Div.	1,418,260	1,663,070	1,677,191	1,677,191	14,121	0.8%
Inspections Division	573,883	600,212	600,210	600,210	-2	0.0%
Employment Appeal Board	46,056	33,516	33,181	33,181	-335	-1.0%
Foster Care Review Board	523,535	547,003	547,579	547,579	576	0.1%
Total Inspections And Appeals	4,345,719	4,704,006	4,653,138	4,653,138	-50,868	-1.1%

General Fund Appropriations

Admin. & Regulation Subcommittee	Actual FY 1995	Estimated FY 1996	Dept Req FY 1997	Gov Recomm FY 1997	Gov Rec vs FY 1996	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Inspections & Appeals (cont)</u>						
Racing Commission						
Racetracks	1,728,494	1,760,378	1,977,140	1,977,140	216,762	12.3%
Riverboats	446,522	877,057	1,225,768	1,225,768	348,711	39.8%
Total Racing Commission	2,175,016	2,637,435	3,202,908	3,202,908	565,473	21.4%
Total Inspections & Appeals	\$ 6,520,735	\$ 7,341,441	\$ 7,856,046	\$ 7,856,046	\$ 514,605	7.0%
<u>Management, Department Of</u>						
Management-General Office	\$ 1,718,630	\$ 2,078,605	\$ 2,083,779	\$ 2,333,779	\$ 255,174	12.3%
Council of State Govts.	63,971	75,500	75,500	75,500	0	0.0%
Law Enforcement Training	47,500	47,500	47,500	47,500	0	0.0%
Salary Adjustment	5,326,743	3,286,338	0	27,078,348	23,792,010	724.0%
Council on Human Invest.	145,356	0	0	0	0	
Total Management, Department Of	\$ 7,302,200	\$ 5,487,943	\$ 2,206,779	\$ 29,535,127	\$ 24,047,184	438.2%
<u>Personnel, Department Of</u>						
Operations	\$ 1,313,743	\$ 1,054,816	\$ 1,442,815	\$ 1,080,321	\$ 25,505	2.4%
Program Delivery	732,783	1,268,773	1,292,434	1,292,434	23,661	1.9%
Program Admin. & Develop.	686,989	1,474,002	1,511,191	1,511,191	37,189	2.5%
Workers' Compensation	5,884,740	5,884,740	7,657,283	5,884,740	0	0.0%
Compen. & Benefits	858,894	0	0	0	0	
Total Personnel, Department Of	\$ 9,477,149	\$ 9,682,331	\$ 11,903,723	\$ 9,768,686	\$ 86,355	0.9%
<u>Revenue & Finance, Dept.</u>						
Compliance	\$ 10,316,655	\$ 10,797,595	\$ 10,789,038	\$ 10,789,038	\$ -8,557	-0.1%
Internal Resources Mgmt	1,130,430	6,004,116	6,025,904	6,025,904	21,788	0.4%
State Financial Mgmt	7,047,807	9,497,781	9,743,291	9,717,637	219,856	2.3%
Collection Costs & Fees	45,000	45,000	45,000	45,000	0	0.0%
Information Services	3,534,825	0	0	0	0	
Local Gov't Service	1,213,062	0	0	0	0	
Technical Services	2,425,975	0	0	0	0	
Total Revenue & Finance, Dept.	\$ 25,713,754	\$ 26,344,492	\$ 26,603,233	\$ 26,577,579	\$ 233,087	0.9%

General Fund Appropriations

Admin. & Regulation Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Secretary Of State						
Admin. & Elections	\$ 481,453	\$ 320,597	\$ 368,508	\$ 368,508	\$ 47,911	14.9%
Business Services	1,563,051	1,796,527	1,760,502	1,760,502	-36,025	-2.0%
Official Register Print	0	60,000	0	0	-60,000	-100.0%
Total Secretary Of State	\$ 2,044,504	\$ 2,177,124	\$ 2,129,010	\$ 2,129,010	\$ -48,114	-2.2%
State-Federal Relations						
General Office	\$ 232,437	\$ 238,548	\$ 240,172	\$ 242,572	\$ 4,024	1.7%
Treasurer Of State						
Treasurer-General Office	\$ 856,308	\$ 882,493	\$ 902,594	\$ 902,594	\$ 20,101	2.3%
Total Admin. & Regulation	\$ 86,021,674	\$ 86,627,865	\$ 87,307,477	\$ 112,006,076	\$ 25,378,211	29.3%
Operations	\$ 80,091,934	\$ 80,698,125	\$ 79,605,194	\$ 106,076,336	\$ 25,378,211	31.4%
Grant and Aid	\$ 5,884,740	\$ 5,884,740	\$ 7,657,283	\$ 5,884,740	\$ 0	0.0%
Standings	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 0	0.0%
Total Admin. & Regulation	\$ 86,021,674	\$ 86,627,865	\$ 87,307,477	\$ 112,006,076	\$ 25,378,211	29.3%

General Fund Appropriations

Ag. & Natural Resources Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Ag. & Land Stewardship						
Loess Hills Dev & Cons.	\$ 0	\$ 0	\$ 400,000	\$ 0	\$ 0	
Soil Consv Cost Share	5,918,606	5,918,606	7,418,606	5,918,606	0	0.0%
Administration Division						
Administrative Division	1,896,960	1,845,156	2,084,429	1,659,111	-186,045	-10.1%
Commercial Feed - Admin	61,044	62,772	64,698	64,698	1,926	3.1%
Fertilizer - Admin	61,044	62,772	64,697	64,697	1,925	3.1%
Dairy Trade Prac - Admin	71,334	66,755	66,846	66,846	91	0.1%
Total Administration Division	2,090,382	2,037,455	2,280,670	1,855,352	-182,103	-8.9%
Regulatory Division						
Regulatory Division	3,739,049	3,820,353	4,110,033	3,848,960	28,607	0.7%
Milk Fund - Regulatory	639,622	647,644	651,220	651,220	3,576	0.6%
Total Regulatory Division	4,378,671	4,467,997	4,761,253	4,500,180	32,183	0.7%
Laboratory Division						
Laboratory Division	790,942	797,336	912,496	802,625	5,289	0.7%
Commercial Feed - Lab	728,934	739,915	828,710	742,499	2,584	0.3%
Fertilizer - Laboratory	621,957	629,098	633,832	633,832	4,734	0.8%
Pesticide - Laboratory	1,220,353	1,289,891	1,335,581	1,291,781	1,890	0.1%
Total Laboratory Division	3,362,186	3,456,240	3,710,619	3,470,737	14,497	0.4%
Agricultural Programs						
Farmer's Market Coupon	213,935	215,637	215,807	215,807	170	0.1%
Pseudorabies Eradication	900,100	900,200	900,200	900,200	0	0.0%
Interstate Grain Compact	78,000	80,000	80,000	80,000	0	0.0%
Organic Nutrient Mgt.	800,000	450,000	450,000	0	-450,000	-100.0%
Total Agricultural Programs	1,992,035	1,645,837	1,646,007	1,196,007	-449,830	-27.3%
Soil Conservation Div.	5,170,976	5,846,838	6,580,541	5,805,591	-41,247	-0.7%
Total Ag. & Land Stewardship	\$ 22,912,856	\$ 23,372,973	\$ 26,797,696	\$ 22,746,473	\$ -626,500	-2.7%

General Fund Appropriations

Ag. & Natural Resources Subcommittee

	Actual FY 1995	Estimated FY 1996	Dept Req FY 1997	Gov Recomm FY 1997	Gov Rec vs FY 1996	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Natural Resources, Dept.</u>						
REAP Appropriation	\$ 7,000,000	\$ 8,000,000	\$ 10,000,000	\$ 9,000,000	\$ 1,000,000	12.5%
Administrative Services	1,708,748	1,884,780	1,852,389	1,852,389	-32,391	-1.7%
Parks & Preserves	5,540,362	5,565,094	5,546,988	5,546,988	-18,106	-0.3%
Forestry	1,598,951	1,498,405	1,494,908	1,494,908	-3,497	-0.2%
Energy & Geology	1,635,479	1,681,033	1,681,228	1,681,228	195	0.0%
Environmental Protection	1,898,780	1,642,927	2,606,509	2,906,509	1,263,582	76.9%
Non-SF546 Marine Fuel Tax	200,000	200,000	0	0	-200,000	-100.0%
Marine Fuel GF to Parks	411,311	411,311	411,311	411,311	0	0.0%
Water Quality Project	0	404,000	1,054,000	729,000	325,000	80.4%
Total Natural Resources, Dept.	\$ 19,993,631	\$ 21,287,550	\$ 24,647,333	\$ 23,622,333	\$ 2,334,783	11.0%
<u>Regents, Board Of</u>						
Livestock Tech Transfer	\$ 200,000	\$ 100,000	\$ 0	\$ 0	\$ -100,000	-100.0%
Total Ag. & Natural Resources	\$ 43,106,487	\$ 44,760,523	\$ 51,445,029	\$ 46,368,806	\$ 1,608,283	3.6%
Operations	\$ 28,287,781	\$ 29,291,717	\$ 32,276,223	\$ 30,550,000	\$ 1,258,283	4.3%
Grant and Aid	\$ 7,818,706	\$ 7,468,806	\$ 9,168,806	\$ 6,818,806	\$ -650,000	-8.7%
Standings	\$ 7,000,000	\$ 8,000,000	\$ 10,000,000	\$ 9,000,000	\$ 1,000,000	12.5%
Total Ag. & Natural Resources	\$ 43,106,487	\$ 44,760,523	\$ 51,445,029	\$ 46,368,806	\$ 1,608,283	3.6%

General Fund Appropriations

Economic Development Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Economic Development Dept</u>						
JTPA State Funds	\$ 0	\$ 0	\$ 135,000	\$ 0	\$ 0	
Work Force Dev. Fund	0	0	2,647,344	150,000	150,000	
Total Economic Development, Dept	0	0	2,782,344	150,000	150,000	
Administrative Services						
General Administration	894,231	925,422	953,502	1,070,502	145,080	15.7%
Primary Research	330,573	313,599	365,185	335,185	21,586	6.9%
Film Office	185,000	186,226	199,341	199,341	13,115	7.0%
Total Administrative Services	1,409,804	1,425,247	1,518,028	1,605,028	179,781	12.6%
Business Development						
Business Development	3,009,160	3,000,000	4,009,775	3,879,775	879,775	29.3%
Small Business Program	384,349	365,000	878,756	448,756	83,756	22.9%
Procurement Office	98,000	90,000	96,492	96,492	6,492	7.2%
Targeted Small Bus. Inc.	10,000	40,000	0	0	-40,000	-100.0%
Strategic Investment Fund	7,899,000	5,606,502	8,969,653	7,731,151	2,124,649	37.9%
Total Business Development	11,400,509	9,101,502	13,954,676	12,156,174	3,054,672	33.6%
Community & Rural Develop						
Community Assistance	571,000	623,484	633,943	578,943	-44,541	-7.1%
Mainstreet/Rural Main St.	375,000	410,000	413,530	413,530	3,530	0.9%
Rural Development Prog.	422,209	607,641	711,181	611,181	3,540	0.6%
Community Dev Block Grant	385,428	394,709	403,974	403,974	9,265	2.3%
Housing Development Assis	0	100,000	100,000	1,300,000	1,200,000	1,200.0%
Total Community & Rural Develop	1,753,637	2,135,834	2,262,628	3,307,628	1,171,794	54.9%
International Division						
International Trade	740,806	757,500	884,697	927,950	170,450	22.5%
Foreign Trade Offices	585,000	590,000	745,250	595,250	5,250	0.9%
Export Trade Asst. Prog.	317,000	275,000	275,000	275,000	0	0.0%
Ag Products Adv Council	1,330	1,300	1,300	1,300	0	0.0%
Total International Division	1,644,136	1,623,800	1,906,247	1,799,500	175,700	10.8%

General Fund Appropriations

Economic Development Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Economic Development Dept (cont)</u>						
Tourism Division						
Tourism Operations	715,766	716,000	725,212	725,212	9,212	1.3%
Tourism Advertising	2,437,000	2,687,000	3,037,000	2,687,000	0	0.0%
Welcome Center Program	350,000	240,000	240,000	240,000	0	0.0%
Total Tourism Division	3,502,766	3,643,000	4,002,212	3,652,212	9,212	0.3%
Workforce Development Div						
Youth Work Force Conserv.	950,852	942,645	0	0	-942,645	-100.0%
Job Retraining Program	11,204	0	0	0	0	
Workforce Investment Prog	927,501	903,000	0	0	-903,000	-100.0%
Labor Management Councils	114,329	100,181	100,338	0	-100,181	-100.0%
Total Workforce Development Div	2,003,886	1,945,826	100,338	0	-1,945,826	-100.0%
Housing Improvement Fund	400,000	510,000	500,000	500,000	-10,000	-2.0%
Wallace Foundation	2,000,000	1,957,270	0	0	-1,957,270	-100.0%
Iowa Seed Capital Corp.	853,000	497,503	757,772	505,275	7,772	1.6%
Partner State Program	100,000	100,000	100,000	100,000	0	0.0%
Peace Institute	96,000	0	0	0	0	
Intl. Development Found.	200,000	0	0	0	0	
Total Economic Development, Dept	\$ 25,363,738	\$ 22,939,982	\$ 27,884,245	\$ 23,775,817	\$ 835,835	3.6%
<u>Employment Services Dept</u>						
Labor Serv.	\$ 2,460,487	\$ 2,515,572	\$ 2,677,744	\$ 2,554,542	38,970	1.5%
Industrial Serv.	2,131,429	2,135,994	2,131,389	2,131,389	-4,605	-0.2%
Workforce Dev. Initiative	464,000	464,000	0	400,000	-64,000	-13.8%
Mentoring	0	0	0	72,000	72,000	

General Fund Appropriations

Economic Development Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Employment Services, Dept (cont)</u>						
Youth Conservation Corps	0	0	0	943,661	943,661	
Labor Management Councils	0	0	0	100,338	100,338	
Workforce Investment Prog	0	0	0	903,000	903,000	
Occupational Wage System	0	0	0	173,250	173,250	
Workforce Dev. Coord.	80,745	115,096	141,606	141,606	26,510	23.0%
Total Employment Services, Dept	\$ 5,136,661	\$ 5,230,662	\$ 4,950,739	\$ 7,419,786	\$ 2,189,124	41.9%
<u>Public Emp. Relations</u>						
General Office	\$ 739,791	\$ 766,586	\$ 777,164	\$ 777,164	\$ 10,578	1.4%
<u>Regents, Board Of</u>						
SUI Advanced Drug Devel.	\$ 496,481	\$ 318,299	\$ 323,376	\$ 319,169	\$ 870	0.3%
Iowa State University						
Institute for Phys. Res.	3,970,904	4,123,400	4,266,429	4,124,607	1,207	0.0%
ISU Small Bus. Center	1,151,173	1,214,470	1,240,551	1,216,245	1,775	0.1%
Total Iowa State University	5,122,077	5,337,870	5,506,980	5,340,852	2,982	0.1%
Total Regents, Board Of	\$ 5,618,558	\$ 5,656,169	\$ 5,830,356	\$ 5,660,021	\$ 3,852	0.1%
Total Economic Development	\$ 36,858,748	\$ 34,593,399	\$ 39,442,504	\$ 37,632,788	\$ 3,039,389	8.8%
Operations	\$ 36,473,320	\$ 34,198,690	\$ 39,038,530	\$ 37,228,814	\$ 3,030,124	8.9%
Grant and Aid	\$ 385,428	\$ 394,709	\$ 403,974	\$ 403,974	\$ 9,265	2.3%
Total Economic Development	\$ 36,858,748	\$ 34,593,399	\$ 39,442,504	\$ 37,632,788	\$ 3,039,389	8.8%

General Fund Appropriations

Education Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>College Aid Commission</u>						
Operations and Loan Prog.						
Scholarship & Grant Admin	\$ 306,409	\$ 328,974	\$ 336,797	\$ 332,797	\$ 3,823	1.2%
Osteopathic Univ - Loans	379,260	379,260	379,260	379,260	0	0.0%
Osteopathic - Prim. Care	395,000	395,000	395,000	395,000	0	0.0%
Enhanced Forgivable Loans	0	0	0	115,000	115,000	
Student Aid Programs	1,469,790	1,469,790	1,507,000	1,397,790	-72,000	-4.9%
Total Operations and Loan Prog.	2,550,459	2,573,024	2,618,057	2,619,847	46,823	1.8%
Standing Loan & Grant Prg						
Tuition Grant Standing	32,422,362	35,664,750	39,250,000	38,664,750	3,000,000	8.4%
Scholarship Prog Standing	474,800	474,800	474,800	474,800	0	0.0%
Voc. Tech. Grant Standing	1,424,780	1,424,780	1,800,000	1,424,780	0	0.0%
Work-Study Prog. Standing	2,898,840	2,950,000	3,110,000	2,950,000	0	0.0%
Total Standing Loan & Grant Prg	37,220,782	40,514,330	44,634,800	43,514,330	3,000,000	7.4%
Total College Aid Commission	\$ 39,771,241	\$ 43,087,354	\$ 47,252,857	\$ 46,134,177	\$ 3,046,823	7.1%
<u>Cultural Affairs, Dept.</u>						
Iowa Arts Council	\$ 1,045,121	\$ 1,055,706	\$ 1,081,918	\$ 1,061,568	\$ 5,862	0.6%
State Historical Society	2,355,363	2,501,824	2,643,267	2,580,932	79,108	3.2%
Historical Sites	227,938	230,605	386,039	386,039	155,434	67.4%
Cultural Affairs - Admin	261,235	218,858	260,227	220,227	1,369	0.6%
Cultural Grants	703,234	706,036	707,721	707,721	1,685	0.2%
Railroad Study	25,000	0	0	0	0	
Total Cultural Affairs, Dept.	\$ 4,617,891	\$ 4,713,029	\$ 5,079,172	\$ 4,956,487	\$ 243,458	5.2%

General Fund Appropriations

Education Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Education, Department Of</u>						
Administration						
DE Administration	\$ 5,077,601	\$ 5,220,190	\$ 5,623,665	\$ 5,268,382	\$ 48,192	0.9%
Vocational Ed. Admin.	636,468	650,563	661,205	656,057	5,494	0.8%
Board of Ed. Examiners	187,361	193,225	324,081	194,582	1,357	0.7%
Vocational Rehab.	3,500,745	3,786,945	4,030,517	4,018,243	231,298	6.1%
Independent Living	21,647	37,669	37,669	37,669	0	0.0%
State Library	2,384,525	2,629,103	3,483,816	2,637,190	8,087	0.3%
Regional Library System	1,457,000	1,507,000	1,729,018	1,507,000	0	0.0%
Iowa Public Television	6,192,856	6,464,319	7,499,551	6,925,335	461,016	7.1%
Transmitters/ICN	0	361,420	0	0	-361,420	-100.0%
Center For Assessment	300,000	300,000	300,000	300,000	0	0.0%
National Assess. Ed. Prog	50,000	50,000	50,000	50,000	0	0.0%
Special Education Study	50,000	0	0	0	0	
LACES	0	25,000	0	0	-25,000	-100.0%
Career Pathways Program	0	650,000	650,000	650,000	0	0.0%
Total Administration	19,858,203	21,875,434	24,389,522	22,244,458	369,024	1.7%
Grants & State Aid						
Vocational Ed. Secondary	3,308,850	3,308,850	3,308,850	3,308,850	0	0.0%
School Food Service	2,716,859	2,716,859	2,716,859	2,716,859	0	0.0%
Textbook Nonpublic Sch	616,000	616,000	616,000	616,000	0	0.0%
Voc Ag. Youth Org.	59,400	69,400	69,400	69,400	0	0.0%
Family Resource Centers	120,000	120,000	120,000	120,000	0	0.0%
Career Opportunity Prog	60,000	135,000	135,000	135,000	0	0.0%
Advanced Placement	0	75,000	0	0	-75,000	-100.0%
Character Education Proj	50,000	0	35,000	0	0	
Parenting Pilot Project	50,000	0	0	0	0	
School Liaison	20,000	0	0	0	0	
Violence Prevention	75,000	0	0	0	0	
K-12 Early Retirement	0	0	0	500,000	500,000	
Total Grants & State Aid	7,076,109	7,041,109	7,001,109	7,466,109	425,000	6.0%

General Fund Appropriations

Education Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Education, Department Of (cont)</u>						
Community College						
CC - General Aid	99,020,486	120,871,270	128,771,270	124,871,270	4,000,000	3.3%
CC - 4th Quarter Aid	16,450,231	0	0	0	0	
Total Community College	115,470,717	120,871,270	128,771,270	124,871,270	4,000,000	3.3%
Total Education, Department Of	\$ 142,405,029	\$ 149,787,813	\$ 160,161,901	\$ 154,581,837	\$ 4,794,024	3.2%
<u>IA Telecommun & Techn.</u>						
ICN - Part III	\$ 0	\$ 1,700,000	\$ 2,669,537	\$ 1,950,000	\$ 250,000	14.7%
Distance Learning Stand	5,000,000	0	0	0	0	
Sale/Conversion Study	0	250,000	0	0	-250,000	-100.0%
Network Debt Service	0	12,783,000	13,754,000	12,754,000	-29,000	-0.2%
Revolving Fund	0	1,000,000	0	0	-1,000,000	-100.0%
Network Operations	5,202,234	4,671,400	2,400,000	2,400,000	-2,271,400	-48.6%
Telecomun & Technology	5,600,000	0	0	0	0	
Total IA Telecommun & Techn.	\$ 15,802,234	\$ 20,404,400	\$ 18,823,537	\$ 17,104,000	\$ -3,300,400	-16.2%
<u>Regents, Board Of</u>						
Board Office Operations						
Regents Board Office	\$ 1,124,622	\$ 1,134,215	\$ 1,170,253	\$ 1,152,417	\$ 18,202	1.6%
Tuition Replacement	25,843,645	27,400,000	28,366,400	27,321,357	-78,643	-0.3%
Southwest Iowa Grad. Cntr	71,662	73,538	104,156	104,156	30,618	41.6%
Tri State Graduate Center	72,535	74,511	74,957	74,511	0	0.0%
Quad Cities Graduate Cntr	150,374	154,278	155,665	154,278	0	0.0%
Total Board Office Operations	27,262,838	28,836,542	29,871,431	28,806,719	-29,823	-0.1%
University of Iowa						
Univ. of Iowa - General	190,350,028	200,666,563	206,707,647	202,702,328	2,035,765	1.0%
SUI Indigent Patient	28,722,559	29,401,487	30,230,305	29,452,383	50,896	0.2%
SUI Psychiatric Hospital	6,994,310	7,213,566	7,282,360	7,225,868	12,302	0.2%
SUI Hospital School	5,664,456	5,914,972	5,980,127	5,938,345	23,373	0.4%
SUI Oakdale Campus	2,831,018	2,886,779	2,958,917	2,896,269	9,490	0.3%
SUI Hygienic Lab	3,138,234	3,293,934	3,386,920	3,309,148	15,214	0.5%
SUI Family Practice Prog	1,840,624	2,059,666	2,062,695	2,060,917	1,251	0.1%

General Fund Appropriations

Education Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Regents, Board Of (cont)</u>						
University of Iowa (cont)						
SUI Hemophilia, Cancer	440,817	464,159	464,941	464,274	115	0.0%
SUI Ag Health And Safety	247,230	253,213	255,158	253,213	0	0.0%
SUI Cancer Registry	188,820	194,226	380,000	195,167	941	0.5%
SUI Sub. Abuse Consortium	62,032	64,037	64,505	64,396	359	0.6%
SUI Cntr for Biocatalysis	1,284,981	1,293,776	1,017,000	1,017,000	-276,776	-21.4%
SUI Driving Simulator	273,653	607,593	2,935,500	608,448	855	0.1%
SUI Primary Health Care	630,000	770,000	1,100,000	771,000	1,000	0.1%
SUI Birth Defects Regist.	0	0	200,000	0	0	
SUI Research Park	0	0	321,000	321,000	321,000	
Total University of Iowa	242,668,762	255,083,971	265,347,075	257,279,756	2,195,785	0.9%
Iowa State University						
Iowa State Univ- General	151,331,647	159,428,645	164,925,361	161,084,066	1,655,421	1.0%
ISU Ag Experiment	30,687,493	31,728,488	31,868,933	31,754,200	25,712	0.1%
ISU Coop Extension	18,269,631	19,068,660	19,391,072	19,280,398	211,738	1.1%
ISU Leopold Center	560,926	560,593	563,464	560,593	0	0.0%
ISU Livestock Disease Res	276,186	276,022	279,067	276,022	0	0.0%
ISU Research Park	0	0	370,000	370,000	370,000	
Total Iowa State University	201,125,883	211,062,408	217,397,897	213,325,279	2,262,871	1.1%
Univ. of Northern Iowa						
UNI - General	67,884,216	71,434,026	74,056,166	72,411,314	977,288	1.4%
UNI Recycl/Reuse Center	239,745	239,745	0	239,745	0	0.0%
UNI Metal Casting	0	0	160,000	160,000	160,000	
Total Univ. of Northern Iowa	68,123,961	71,673,771	74,216,166	72,811,059	1,137,288	1.6%

General Fund Appropriations

Education Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Regents, Board Of (cont)</u>						
Special Schools						
Iowa School for the Deaf	6,412,510	6,668,097	6,799,856	6,678,655	10,558	0.2%
Iowa Braille & Sight Sch	3,549,152	3,701,066	3,804,123	3,711,503	10,437	0.3%
Tuition & Transportation	11,232	11,232	11,232	11,882	650	5.8%
Total Special Schools	<u>9,972,894</u>	<u>10,380,395</u>	<u>10,615,211</u>	<u>10,402,040</u>	<u>21,645</u>	<u>0.2%</u>
Total Regents, Board Of	\$ 549,154,338	\$ 577,037,087	\$ 597,447,780	\$ 582,624,853	\$ 5,587,766	1.0%
Total Education	\$ 751,750,733	\$ 795,029,683	\$ 828,765,247	\$ 805,401,354	\$ 10,371,671	1.3%
Operations	\$ 589,858,475	\$ 624,613,324	\$ 646,316,208	\$ 628,081,995	\$ 3,468,671	0.6%
Grant and Aid	\$ 124,671,476	\$ 129,902,029	\$ 137,814,239	\$ 133,805,029	\$ 3,903,000	3.0%
Standings	\$ 37,220,782	\$ 40,514,330	\$ 44,634,800	\$ 43,514,330	\$ 3,000,000	7.4%
Total Education	\$ 751,750,733	\$ 795,029,683	\$ 828,765,247	\$ 805,401,354	\$ 10,371,671	1.3%

General Fund Appropriations

Health & Human Rights Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Blind, Iowa Comm. For</u>						
Blind, Department Of	1,377,786	1,390,496	1,491,868	1,475,737	85,241	6.1%
<u>Civil Rights Commission</u>						
General Office	\$ 1,107,462	\$ 1,132,142	\$ 1,141,692	\$ 1,141,692	\$ 9,550	0.8%
<u>Elder Affairs, Department</u>						
State Administration	\$ 437,133	\$ 447,457	\$ 450,918	\$ 450,918	\$ 3,461	0.8%
Aging Programs & Services	2,336,393	2,576,528	3,396,460	3,076,528	500,000	19.4%
Total Elder Affairs, Department	\$ 2,773,526	\$ 3,023,985	\$ 3,847,378	\$ 3,527,446	\$ 503,461	16.6%
<u>Gov. Subst. Abuse Council</u>						
Drug Enf. Ab. Prev. Coord	\$ 606,878	\$ 301,393	\$ 304,333	\$ 304,333	\$ 2,940	1.0%
Cedar Rapids Subs Ab Cntr	32,894	32,894	29,552	29,552	-3,342	-10.2%
Total Gov. Subst. Abuse Council	\$ 639,772	\$ 334,287	\$ 333,885	\$ 333,885	\$ -402	-0.1%
<u>Health, Dept. Of Public</u>						
Planning & Administration	\$ 2,074,796	\$ 2,098,943	\$ 2,249,272	\$ 2,249,272	\$ 150,329	7.2%
Professional Licensure	748,370	766,481	997,900	771,548	5,067	0.7%
Health Delivery Systems	1,284,871	1,317,075	1,022,360	1,022,360	-294,715	-22.4%
Health Data Commission	240,250	75,000	0	0	-75,000	-100.0%
Health Protection	2,275,628	2,169,921	2,188,053	2,167,154	-2,767	-0.1%
Sub Abuse & Hlth Promo	608,566	627,198	633,306	633,306	6,108	1.0%
Sub Abuse Prog Grants	8,390,159	8,390,159	8,390,159	8,390,159	0	0.0%
Family & Community Health	3,069,161	3,058,965	3,415,041	3,415,041	356,076	11.6%
SIDS Autopsies	9,675	9,675	9,675	9,675	0	0.0%
Public Health Nursing	2,511,871	2,511,871	2,511,871	2,511,871	0	0.0%
Home Health Aide	8,586,716	8,586,716	8,586,716	8,586,716	0	0.0%
Well Elderly Clinics	585,337	585,337	585,337	585,337	0	0.0%
Physician Care for Kids	411,187	411,187	411,187	411,187	0	0.0%
Primary & Prevent Health	75,000	75,000	75,000	75,000	0	0.0%
Healthy Family Program	665,000	665,000	665,000	950,000	285,000	42.9%

General Fund Appropriations

Health & Human Rights Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Health, Dept. Of Public (cont)						
Dental Examiners	259,486	287,065	341,768	309,768	22,703	7.9%
Medical Examiners	995,218	1,007,089	1,147,156	1,036,156	29,067	2.9%
Nursing Examiners	889,639	939,709	1,050,196	981,403	41,694	4.4%
Pharmacy Examiners	652,361	672,976	781,348	680,138	7,162	1.1%
Center For Rural Health	235,000	235,000	235,000	235,000	0	0.0%
Total Health, Dept. Of Public	\$ 34,568,291	\$ 34,490,367	\$ 35,296,345	\$ 35,021,091	\$ 530,724	1.5%
Human Rights, Department						
Central Administration	\$ 179,364	\$ 185,442	\$ 186,522	\$ 186,522	\$ 1,080	0.6%
Community Action Agencies	3,401	3,366	3,366	3,366	0	0.0%
Deaf Services	288,900	251,337	415,443	256,167	4,830	1.9%
Persons With Disabilities	103,179	57,962	103,465	97,765	39,803	68.7%
Latino Affairs	98,352	99,292	142,442	142,442	43,150	43.5%
Status of Women	391,644	393,560	452,104	323,879	-69,681	-17.7%
Status of African Am.	85,916	103,776	139,866	105,390	1,614	1.6%
Criminal & Juvenile Just.	369,735	471,453	478,235	478,235	6,782	1.4%
Community Grant Fund	1,800,000	1,800,000	1,800,000	1,800,000	0	0.0%
Total Human Rights, Department	\$ 3,320,491	\$ 3,366,188	\$ 3,721,443	\$ 3,393,766	\$ 27,578	0.8%
Veterans Affairs, Comm.						
Vet Affairs Admin	\$ 197,526	\$ 216,757	\$ 289,510	\$ 234,696	\$ 17,939	8.3%
War Orphans Ed Fund	4,800	4,800	4,800	4,800	0	0.0%
Iowa Veterans Home	35,716,775	38,282,649	39,060,312	38,856,913	574,264	1.5%
Total Veterans Affairs, Comm.	\$ 35,919,101	\$ 38,504,206	\$ 39,354,622	\$ 39,096,409	\$ 592,203	1.5%
Total Health & Human Rights	\$ 79,706,429	\$ 82,241,671	\$ 85,187,233	\$ 83,990,026	\$ 1,748,355	2.1%
Operations	\$ 54,370,170	\$ 56,798,323	\$ 59,293,668	\$ 58,131,393	\$ 1,333,070	2.3%
Grant and Aid	\$ 25,336,259	\$ 25,443,348	\$ 25,893,565	\$ 25,858,633	\$ 415,285	1.6%
Total Health & Human Rights	\$ 79,706,429	\$ 82,241,671	\$ 85,187,233	\$ 83,990,026	\$ 1,748,355	2.1%

General Fund Appropriations

Human Services Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Human Services, Dept.						
Economic Assistance						
Family Investment Program	\$ 37,139,476	\$ 32,820,032	\$ 34,787,255	\$ 34,787,255	\$ 1,967,223	6.0%
Emergency Assistance	1,767,500	1,767,500	1,767,500	1,767,500	0	0.0%
Promise Jobs	12,071,270	11,935,189	12,601,592	12,601,592	666,403	5.6%
Child Support Recoveries	4,987,485	6,397,978	6,504,255	6,504,255	106,277	1.7%
X-PERT	1,411,703	919,000	855,651	792,197	-126,803	-13.8%
Total Economic Assistance	57,377,434	53,839,699	56,516,253	56,452,799	2,613,100	4.9%
Medical Services						
Medical Assistance	344,719,351	351,496,521	379,156,952	366,687,988	15,191,467	4.3%
Medical Contracts	5,630,350	6,226,400	6,811,400	6,811,400	585,000	9.4%
State Supplementary Asst.	19,315,000	19,115,000	19,190,000	19,190,000	75,000	0.4%
Total Medical Services	369,664,701	376,837,921	405,158,352	392,689,388	15,851,467	4.2%
Serving A, C, & F						
Toledo Juvenile Home	4,851,101	5,036,390	5,090,863	5,090,863	54,473	1.1%
Eldora Training School	8,209,389	8,585,306	8,638,946	8,638,946	53,640	0.6%
Child and Family Serv	81,627,307	83,380,000	84,238,607	84,238,607	858,607	1.0%
Community Based Services	2,259,723	2,620,000	3,020,146	2,552,046	-67,954	-2.6%
Ct Ordered Serv Juvenile	3,090,000	3,090,000	3,090,000	3,090,000	0	0.0%
Child Care Services	7,397,259	7,740,000	8,947,100	8,947,100	1,207,100	15.6%
Personal Assistance	0	250,000	428,000	428,000	178,000	71.2%
Total Serving A, C, & F	107,434,779	110,701,696	113,453,662	112,985,562	2,283,866	2.1%

General Fund Appropriations

Human Services Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Human Services, Dept. (cont)						
Serving MH/MR/DD/BI						
Cherokee MHI	14,707,055	15,183,921	13,821,308	13,581,308	-1,602,613	-10.6%
Clarinda MHI	6,057,946	6,113,456	6,172,607	6,172,607	59,151	1.0%
Independence MHI	17,454,580	17,838,891	16,946,094	16,946,094	-892,797	-5.0%
Mt Pleasant MHI	4,902,736	4,873,883	4,837,324	4,837,324	-36,559	-0.8%
Glenwood SHS	35,969,938	36,176,191	35,070,700	35,070,700	-1,105,491	-3.1%
Woodward SHS	30,808,088	30,652,048	26,959,124	26,959,124	-3,692,924	-12.0%
Community MH/MR Fund	21,860,789	16,230,000	16,230,000	16,230,000	0	0.0%
Family Support Subsidy	1,082,550	1,110,000	1,144,000	1,144,000	34,000	3.1%
DD Special Needs Grants	53,212	53,212	53,212	53,212	0	0.0%
MH/MR/DD Special Services	121,220	121,220	121,220	121,220	0	0.0%
State Cases	2,973,492	5,470,000	5,954,000	5,954,000	484,000	8.8%
Gamblers Assistance Prog.	21,000	0	0	0	0	
School Truancy Program	200,000	0	0	0	0	
Total Serving MH/MR/DD/BI	136,212,606	133,822,822	127,309,589	127,069,589	-6,753,233	-5.0%
DHS Administration						
Field Operations	41,821,852	38,464,333	39,055,396	38,483,998	19,665	0.1%
General Administration	9,693,066	11,067,464	11,907,816	11,917,316	849,852	7.7%
Volunteers	85,793	85,793	98,900	98,900	13,107	15.3%
Training And Technology	0	0	2,031,168	818,044	818,044	
Total DHS Administration	51,600,711	49,617,590	53,093,280	51,318,258	1,700,668	3.4%
Total Human Services	\$ 722,290,231	\$ 724,819,728	\$ 755,531,136	\$ 740,515,596	\$ 15,695,868	2.2%
Operations	\$ 180,874,939	\$ 181,308,861	\$ 177,891,252	\$ 175,812,776	\$ -5,496,085	-3.0%
Grant and Aid	\$ 541,415,292	\$ 543,510,867	\$ 577,639,884	\$ 564,702,820	\$ 21,191,953	3.9%
Total Human Services	\$ 722,290,231	\$ 724,819,728	\$ 755,531,136	\$ 740,515,596	\$ 15,695,868	2.2%

General Fund Appropriations

Justice System Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
Attorney General						
General Office A.G.	\$ 4,919,469	\$ 5,472,835	\$ 5,643,460	\$ 5,643,460	\$ 170,625	3.1%
Pros. Attor. Training	115,979	131,395	257,043	257,043	125,648	95.6%
Victim Assistance Grants	1,359,812	1,359,806	1,359,806	1,359,806	0	0.0%
Area GASA Pros. Attorney	105,408	108,433	108,999	108,999	566	0.5%
Consumer Advocate	2,335,330	2,865,866	2,337,189	2,337,189	-528,677	-18.4%
Total Attorney General	\$ 8,835,998	\$ 9,938,335	\$ 9,706,497	\$ 9,706,497	\$ -231,838	-2.3%
Corrections, Dept. Of						
Corr. - Institutions						
Ft. Madison Inst.	\$ 25,058,766	\$ 25,923,268	\$ 31,381,285	\$ 26,819,188	\$ 895,920	3.5%
Anamosa Inst.	18,787,520	19,673,466	21,650,485	19,955,506	282,040	1.4%
Oakdale Inst.	15,678,904	16,254,833	17,623,366	16,360,631	105,798	0.7%
Newton Inst.	5,359,670	5,777,024	10,857,030	10,233,775	4,456,751	77.1%
Mt. Pleasant Inst.	13,363,671	14,217,681	16,364,061	14,684,042	466,361	3.3%
Rockwell City Inst.	5,422,400	5,602,983	6,572,614	5,656,219	53,236	1.0%
Clarinda Inst.	6,397,875	10,964,214	14,570,611	14,467,836	3,503,622	32.0%
Mitchellville Inst.	6,170,163	6,386,802	7,003,993	6,477,098	90,296	1.4%
Total Corr. - Institutions	96,238,969	104,800,271	126,023,445	114,654,295	9,854,024	9.4%
Corr. - Central Office						
Central Office	2,279,415	2,358,970	2,438,428	2,372,985	14,015	0.6%
Training Center	382,852	394,751	519,974	458,074	63,323	16.0%
County Confinement	237,038	237,038	362,038	237,038	0	0.0%
Fed. Prisoners/Contract	341,334	341,334	376,334	341,334	0	0.0%
Corr. Expansion-Phase I	625,860	625,860	625,860	625,860	0	0.0%
Corr. Expansion-Phase II	3,186,995	3,180,990	3,179,500	3,179,500	-1,490	0.0%
Corrections Education	1,850,600	1,850,600	3,676,790	2,250,600	400,000	21.6%
Total Corr. - Central Office	8,904,094	8,989,543	11,178,924	9,465,391	475,848	5.3%

General Fund Appropriations

Justice System Subcommittee

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Corrections, Dept. Of (cont)</u>						
CBC Districts						
CBC District I	6,393,740	6,756,395	7,842,377	6,962,223	205,828	3.0%
CBC District II	4,954,382	5,462,621	6,080,720	5,632,043	169,422	3.1%
CBC District III	3,199,911	3,333,116	3,723,646	3,384,385	51,269	1.5%
CBC District IV	2,372,424	2,448,498	2,859,043	2,551,754	103,256	4.2%
CBC District V	8,540,658	8,893,606	9,689,185	9,169,253	275,647	3.1%
CBC District VI	6,493,504	7,014,349	8,097,526	7,118,005	103,656	1.5%
CBC District VII	4,314,631	4,441,400	4,662,707	4,486,275	44,875	1.0%
CBC District VIII	3,708,957	3,965,512	4,847,226	4,061,536	96,024	2.4%
CBC Statewide	85,817	83,576	83,576	83,576	0	0.0%
Total CBC Districts	40,064,024	42,399,073	47,886,006	43,449,050	1,049,977	2.5%
Total Corrections, Dept. Of	\$ 145,207,087	\$ 156,188,887	\$ 185,088,375	\$ 167,568,736	\$ 11,379,849	7.3%
<u>Inspections & Appeals</u>						
Indigent Defense Approp.	\$ 13,829,000	\$ 11,751,800	\$ 14,420,000	\$ 17,475,074	\$ 5,723,274	48.7%
Public Defender	8,148,166	9,171,815	9,232,618	10,681,867	1,510,052	16.5%
Total Inspections & Appeals	\$ 21,977,166	\$ 20,923,615	\$ 23,652,618	\$ 28,156,941	\$ 7,233,326	34.6%
<u>Judicial Branch</u>						
Judicial Branch	\$ 83,596,673	\$ 88,869,478	\$ 98,134,983	\$ 94,134,983	\$ 5,265,505	5.9%
Juv. Vict. Restitution	131,663	155,396	169,662	169,662	14,266	9.2%
ICIS Computer	857,500	857,500	857,500	857,500	0	0.0%
Judicial Retirement	3,150,915	3,150,915	3,726,422	3,726,422	575,507	18.3%
Total Judicial Branch	\$ 87,736,751	\$ 93,033,289	\$ 102,888,567	\$ 98,888,567	\$ 5,855,278	6.3%
<u>Law Enforcement Academy</u>						
ILEA Operations	\$ 970,571	\$ 1,016,893	\$ 1,220,272	\$ 1,063,418	\$ 46,525	4.6%
ILEA D.A.R.E. Coord.	15,000	30,000	30,000	30,000	0	0.0%
Total Law Enforcement Academy	\$ 985,571	\$ 1,046,893	\$ 1,250,272	\$ 1,093,418	\$ 46,525	4.4%
<u>Parole, Board Of</u>						
Parole Board	\$ 801,587	\$ 815,122	\$ 827,749	\$ 827,749	\$ 12,627	1.5%

General Fund Appropriations

Justice System Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Public Defense, Dept.</u>						
Military Division	\$ 3,762,402	\$ 3,972,077	\$ 4,464,545	\$ 3,910,339	\$ -61,738	-1.6%
Emergency Mgmt Div.	492,408	493,971	649,783	574,137	80,166	16.2%
Total Public Defense, Dept.	\$ 4,254,810	\$ 4,466,048	\$ 5,114,328	\$ 4,484,476	\$ 18,428	0.4%
<u>Public Safety, Department</u>						
Administration	\$ 2,165,293	\$ 2,223,732	\$ 2,201,438	\$ 2,201,438	\$ -22,294	-1.0%
Investigation, DCI	7,909,657	9,421,259	9,462,619	9,462,619	41,360	0.4%
Narcotics Enforce.	2,390,514	2,407,347	2,519,162	2,519,162	111,815	4.6%
Undercover Funds	139,202	139,202	200,000	139,202	0	0.0%
Fire Marshal	1,417,407	1,430,236	1,458,161	1,458,161	27,925	2.0%
Capitol Security	1,152,960	1,194,710	1,207,304	1,207,304	12,594	1.1%
AFIS System Maintenance	0	211,576	222,155	222,155	10,579	5.0%
Iowa State Patrol	0	0	8,543,395	9,000,000	9,000,000	
IDOP Reimbursement - IHP	0	88,390	0	0	-88,390	-100.0%
Total Public Safety, Department	\$ 15,175,033	\$ 17,116,452	\$ 25,814,234	\$ 26,210,041	\$ 9,093,589	53.1%
Total Justice System	\$ 284,974,003	\$ 303,528,641	\$ 354,342,640	\$ 336,936,425	\$ 33,407,784	11.0%
Operations	\$ 242,822,341	\$ 259,041,930	\$ 302,417,806	\$ 290,999,737	\$ 31,957,807	12.3%
Grant and Aid	\$ 42,151,662	\$ 44,486,711	\$ 51,924,834	\$ 45,936,688	\$ 1,449,977	3.3%
Total Justice System	\$ 284,974,003	\$ 303,528,641	\$ 354,342,640	\$ 336,936,425	\$ 33,407,784	11.0%

General Fund Appropriations

**Trans. & Capitals
Subcommittee**

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Transportation, Dept.</u>						
Rail Projects	\$ 2,110,553	\$ 1,497,000	\$ 2,000,000	\$ 1,229,000	\$ -268,000	-17.9%
Planning Division	0	241,000	258,000	258,000	17,000	7.1%
State Aviation Approp.	2,262,000	2,262,000	2,300,000	2,400,000	138,000	6.1%
Total Transportation, Dept.	4,372,553	4,000,000	4,558,000	3,887,000	-113,000	-2.8%
Aeronautics/Public Trans.	397,570	0	0	0	0	
Total Transportation, Dept.	\$ 4,770,123	\$ 4,000,000	\$ 4,558,000	\$ 3,887,000	\$ -113,000	-2.8%
<u>Corrections Capitals</u>						
DOC Prison Construction	\$ 0	\$ 0	\$ 13,330,870	\$ 0	\$ 0	
Health/Life/Fire Safety	0	0	4,050,000	0	0	
Total Corrections Capitals	\$ 0	\$ 0	\$ 17,380,870	\$ 0	\$ 0	
<u>Cultural Affairs Capitals</u>						
Cultural Affairs Capitals	\$ 0	\$ 0	467,250	\$ 0	\$ 0	
<u>General Services Capitals</u>						
FY95 Supp. Capitol	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	
FY95 Supp. Terrace Hill	36,451	0	0	0	0	
Total General Services Capitals	\$ 236,451	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Human Services Capitals</u>						
Health, Life, Safety	\$ 0	\$ 0	\$ 1,010,561	\$ 0	\$ 0	
On-going Maintenance	0	0	3,846,446	0	0	
ADA Capitals	0	0	490,320	0	0	
Critical Deferred Maint.	0	0	3,465,578	0	0	
Total Human Services Capitals	\$ 0	\$ 0	\$ 8,812,905	\$ 0	\$ 0	
<u>Natural Resources Capital</u>						
GF-Marine Fuel Tax Caps	\$ 1,600,000	\$ 1,600,000	\$ 2,100,000	\$ 1,800,000	\$ 200,000	12.5%

General Fund Appropriations

**Trans. & Capitals
Subcommittee**

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Regents Capitals</u>						
FY96 Regents Capitals	\$ 0	\$ 0	\$ 77,465,000	\$ 0	\$ 0	
<u>Education Capitals</u>						
Voc. Rehab. Capitals	\$ 0	\$ 0	\$ 142,966	\$ 0	\$ 0	
IPTV Capitals	0	0	400,000	0	0	
Total Education Capitals	\$ 0	\$ 0	\$ 542,966	\$ 0	\$ 0	
<u>Veterans Affairs Capitals</u>						
Veterans Affairs Capitals	\$ 0	\$ 0	\$ 12,377,948	\$ 0	\$ 0	
Total Trans. & Capitals	\$ 6,606,574	\$ 5,600,000	\$ 123,704,939	\$ 5,687,000	\$ 87,000	1.6%
Operations	\$ 397,570	\$ 241,000	\$ 258,000	\$ 258,000	\$ 17,000	7.1%
Grant and Aid	\$ 4,372,553	\$ 3,759,000	\$ 4,300,000	\$ 3,629,000	\$ -130,000	-3.5%
Capitals	\$ 1,836,451	\$ 1,600,000	\$ 119,146,939	\$ 1,800,000	\$ 200,000	12.5%
Total Trans. & Capitals	\$ 6,606,574	\$ 5,600,000	\$ 123,704,939	\$ 5,687,000	\$ 87,000	1.6%

General Fund Appropriations

**Unassigned Standings
Subcommittee**

	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Corrections, Dept. Of</u>						
State Cases - Stdg.	\$ 3,251	\$ 66,370	\$ 66,370	\$ 66,370	0	0.0%
<u>Education, Department Of</u>						
Trans of Nonpublic Pupils	\$ 6,747,143	\$ 6,794,293	\$ 6,950,000	\$ 6,950,000	155,707	2.3%
Child Development	12,191,258	14,119,216	16,619,216	14,119,216	0	0.0%
Educational Excellence	80,440,581	80,976,336	80,976,336	81,476,336	500,000	0.6%
Instructional Support	14,798,227	14,798,227	14,798,227	14,798,227	0	0.0%
School Foundation Aid	1,266,256,039	1,330,918,568	1,382,838,088	1,398,280,777	67,362,209	5.1%
Teacher Salaries	535,755	5,000	5,000	5,000	0	0.0%
School Improv./Technology	0	0	15,000,000	15,000,000	15,000,000	
Allow Growth/Property Tax	0	0	0	14,059,219	14,059,219	
Total Education, Department Of	\$ 1,380,969,003	\$ 1,447,611,640	\$ 1,517,186,867	\$ 1,544,688,775	\$ 97,077,135	6.7%
<u>Executive Council</u>						
Court Costs	\$ 37,473	\$ 50,000	\$ 50,000	\$ 50,000	0	0.0%
Performance Of Duty	2,159,860	4,200,000	500,000	500,000	-3,700,000	-88.1%
Public Improvements	37,498	50,000	50,000	50,000	0	0.0%
Drainage Assessment	9,536	25,000	25,000	25,000	0	0.0%
Total Executive Council	\$ 2,244,367	\$ 4,325,000	\$ 625,000	\$ 625,000	\$ -3,700,000	-85.5%
<u>Legislative Branch</u>						
Legislative Expenses	\$ 18,514,938	\$ 21,223,301	\$ 23,884,460	\$ 23,884,460	2,661,159	12.5%
<u>Governor</u>						
Interstate Extradition	\$ 3,493	\$ 4,000	\$ 4,000	\$ 4,000	0	0.0%
<u>Human Services, Dept.</u>						
Commission of Inquiry	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	0	0.0%
Non Resident Transfer	87	87	87	87	0	0.0%
Non Resident Commitment	184,398	184,398	184,398	184,398	0	0.0%
Total Human Services, Dept.	\$ 186,285	\$ 186,285	\$ 186,285	\$ 186,285	\$ 0	0.0%

General Fund Appropriations

Unassigned Standings Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Management, Department Of</u>						
Indian Settlement Officer	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	0	0.0%
Appeal Board Standing	5,621,198	5,500,000	5,900,000	5,900,000	400,000	7.3%
Special Olympics Fund	20,000	20,000	20,000	20,000	0	0.0%
Total Management, Department Of	\$ 5,666,198	\$ 5,545,000	\$ 5,945,000	\$ 5,945,000	\$ 400,000	7.2%
<u>Public Defense, Dept.</u>						
Compensation & Expense	\$ -22,811	\$ 100,000	\$ 100,000	\$ 100,000	0	0.0%
<u>Revenue & Finance, Dept.</u>						
Revenue And Finance, Dept						
Ag Land Tax Credit	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	0	0.0%
Property Tax Replacement	56,287,557	56,287,557	56,287,557	56,287,557	0	0.0%
Printing Cigarette Stamps	115,000	115,000	115,000	115,000	0	0.0%
Homestead Tax Credit Aid	93,573,219	93,573,219	93,573,219	93,573,219	0	0.0%
Extraordinary Prop. Tax	10,794,998	10,794,998	10,794,998	10,794,998	0	0.0%
Peace Officer Retirement	2,942,726	2,942,726	2,942,726	2,942,726	0	0.0%
Unemployment Compensation	382,866	400,000	400,000	400,000	0	0.0%
Franchise Tax Reimburse	8,800,000	8,800,000	8,800,000	8,800,000	0	0.0%
Military Service Tax	2,820,682	2,820,682	2,820,682	2,820,682	0	0.0%
Property Tax Relief	0	61,000,000	78,000,000	78,000,000	17,000,000	27.9%
Federal Cash Management	0	815,000	800,000	800,000	-15,000	-1.8%
Machinery/Equip Prop Tax	0	0	0	5,700,000	5,700,000	
Total Revenue & Finance, Dept.	\$ 214,817,048	\$ 276,649,182	\$ 293,634,182	\$ 299,334,182	\$ 22,685,000	8.2%
<u>Secretary Of State</u>						
Iowa Servicemens Ballot	\$ 0	\$ 3,500	\$ 0	\$ 0	-3,500	-100.0%
Constitutional Amendments	536	0	2,565	2,565	2,565	
Total Secretary Of State	\$ 536	\$ 3,500	\$ 2,565	\$ 2,565	\$ -935	-26.7%

General Fund Appropriations

Unassigned Standings Subcommittee	Actual FY 1995 (1)	Estimated FY 1996 (2)	Dept Req FY 1997 (3)	Gov Recomm FY 1997 (4)	Gov Rec vs FY 1996 (5)	Percent Change (6)
<u>Transportation Dept.</u>						
Public Transit Assistance	\$ 7,668,082	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 0	0.0%
Total Unassigned Standings	\$ 1,630,050,390	\$ 1,763,214,278	\$ 1,849,134,729	\$ 1,882,336,637	\$ 119,122,359	6.8%
Operations	\$ 0	\$ 0	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	
Grant and Aid	\$ 535,755	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0	0.0%
Standings	\$ 1,629,514,635	\$ 1,763,209,278	\$ 1,834,129,729	\$ 1,867,331,637	\$ 104,122,359	5.9%
Total Unassigned Standings	\$ 1,630,050,390	\$ 1,763,214,278	\$ 1,849,134,729	\$ 1,882,336,637	\$ 119,122,359	6.8%



APPENDIX B

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
BUILT-IN INCREASES OR DECREASES:						
K-12 School Aid <i>Standing Unlimited Appropriation</i>	<p>The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of state aid and local property tax used in funding school district budgets.</p> <p>Assumptions: Special Education weightings are estimated to increase by 6.0%, property valuations are estimated to increase by 2.935%, and all other unknown variables are held constant.</p>	<ul style="list-style-type: none"> · Allowable growth of 3.3%. · Enrollment increase of 3,911.4 pupils (0.8%) · Assumed increase in special education weightings of 5.8%. · Increase in supplemental weightings. · Assumed decrease due to increase in property valuations of 2.935%. · Decrease due to the expiration of reorganization incentives. 	\$ 67,049.6	\$ 81,421.4	<ul style="list-style-type: none"> · State fund 100.0% of allowable growth. · State fund an increase from 100.0% to 101.0% budget guarantee. · Variance in Governor's estimate versus Legislative Fiscal Bureau's estimate. 	\$ 14,100.0 1,400.0 -1,128.2

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Salary Increases - Collective Bargaining <i>Appropriation</i>	Salary increases due to second year of collective bargaining (American Federation of State, County, and Municipal Employees 2.5% increase for COLA and steps).	<ul style="list-style-type: none"> • Assumed 8.0% increase in health insurance costs. • Assumed the continuation of \$4.0 million buy-down of insurance costs. • Does not include annualization costs. 	39,200.0	27,022.5	<ul style="list-style-type: none"> • Insurance Reserve buy down. • Reduce salary adjustment allocation. Maximum of 35.0% of employees in Blue Cross Plan 2. • Mental health managed care for State employees. • Claims review program. • Prior years' balance brought forward. 	<ul style="list-style-type: none"> -3,000.0 -1,700.0 -1,000.0 -3,000.0 -3,286.3

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Human Services - Medical Assistance Appropriation	Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups for which federal funding is available. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.	Assumed 4.7% overall increase in the number of eligible recipients. Federal Financial Participation rate is projected to decrease which is estimated to increase State costs by an additional \$9.8 million.	27,660.4	15,191.5	Eliminate provider rate increases. Revised estimate of Intermediate Care Facilities and Intermediate Care Facilities for the Mentally Retarded (ICF-MR). Funds the nonfederal share of ICF-MR cost for children from the Mental Health Property Tax Relief Fund. Miscellaneous changes.	-3,961.0 -1,675.8 -6,600.0 -200.0

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Natural Resources - Resource Enhancement and Protection (REAP) Fund <i>Standing Limited Appropriation</i>	<p>The REAP Program provides funds for land maintenance, acquisition and development, grants to cities and counties, soil conservation cost share, alternative roadside vegetation, and historical resource grants.</p> <p>The REAP appropriation for FY 1996 is \$8.0 million. For FY 1997, \$30.0 million is appropriated from the General Fund, but that amount is reduced by any money appropriated from the Lottery Fund (Section 455.18(4), <u>Code of Iowa</u>). The present statutory language specifies appropriations of \$25.0 million from the Lottery Fund and \$5.0 million from the General Fund for FY 1997.</p>	<p>The Standing Appropriation is restored as required by the <u>Code of Iowa</u>.</p>	22,000.0	1,000.0	Reduces the standing appropriation.	-21,000.0

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Property Tax Relief Fund <i>Standing Limited Appropriation</i>	Reflects an appropriation of \$78.0 million in FY 1997 for Mental Health services to be paid to counties, as per SF 69 in the 1995 Legislative Session. There was an appropriation of \$61.0 million in FY 1996.	<ul style="list-style-type: none"> · Increase in a standing appropriation. 	17,000.0	17,000.0	No change recommended.	
Highway Patrol <i>Standing Limited Appropriation</i>	Senate File 481 appropriates \$9.0 million in FY 1997 to the Highway Safety Patrol Fund to begin funding the Patrol from the General Fund. Senate File 481 increases the General Fund appropriation by \$9.0 million each year until the Highway Patrol is fully funded from the General Fund.	<ul style="list-style-type: none"> · New funding · Senate File 481 appropriates \$9.0 million in FY 1997, \$18.0 million in FY 1998, \$27.0 million in FY 1999, and \$36.0 million in FY 2000 or as much as is necessary to fully fund the Highway Patrol from the General Fund. 	9,000.0	9,000.0	No change recommended.	

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
M&E Property Tax Replacement Fund <i>Standing Unlimited Appropriation</i>	Senate File 69 phases out the property tax on machinery and equipment (M&E). The legislation provides for the replacement of lost valuation compared to the base year (FY 1996).	· Assumes the natural replacement rate of M&E is 8.3% per year. Does not take into account any behavioral change due to the legislation.	5,200.0	5,700.0	· Expands exemption and phase-out to include M&E located in urban renewal tax increment financing districts, and provides corresponding State reimbursement.	500.0
Appeals Board <i>Standing Unlimited Appropriation</i>	The Appeals Board receives a standing unlimited appropriation which is charged for claims approved for payment for which there was no appropriation including non-highway related tort claims.	· Estimated increase in claims.	400.0	400.0	· No change recommended.	
Transportation for Nonpublic Students <i>Standing Unlimited Appropriation</i>	Provides reimbursement for transportation of nonpublic school students. Public school districts are required to provide transportation assistance for resident students attending approved nonpublic schools on the same basis as provided for resident public school students	· Increased claims.	155.7	155.7	· No change recommended.	

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Child Development <i>Standing Limited Appropriation</i>	Provides funding for programs for at-risk children. The funds are distributed to area education agencies, Child Development Coordinating Council, School-Based Youth Services Education Program, and grants to school districts. This standing appropriation is frozen at the FY 1995 funding level.	Decrease due to the frozen funding level as required by the Code is less than the FY 1996 funding level.	-1,928.0		0 - Maintains funding at the FY 1996 funding level.	1,928.0
Performance of Duty <i>Standing Unlimited Appropriation</i>	Emergency capital projects approved by the Executive Council. Fiscal Year 1996 was the last year of payments to the federal government for flood expenses.	One-time expenditure	-3,700.0	-3,700.0	No change recommended.	

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
ANTICIPATED INCREASES OR DECREASES:						
Corrections <i>Appropriation</i>	Various Corrections projects: <ul style="list-style-type: none"> • \$3.1 million for ongoing expenses in the first full year operation of the Clarinda prison. • \$3.0 million for one-time expenditures due to start-up costs at the new Newton prison opening July 1, 1996. • \$1.3 million for operations start-up costs at the new Newton Prison opening July 1, 1996. • \$352,000 to provide for contracted medical services as required by court order resulting from <i>McBride vs. Farrier (1981)</i>. 	Ongoing expenditure and one-time expenditures.	7,773.0	7,773.0 - No change recommended.		

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Indigent Defense <i>Appropriation</i>	Indigent Defense is a program that pays private court-appointed attorneys and attorneys contracted by the State Public Defender to defend indigent persons. The Program is constitutionally required. Attorneys submit their billings to the presiding judge for approval and submission to the Department of Inspections and Appeals for payment. Indigent status is determined through rules using the federal poverty guidelines. Persons deemed partially indigent or not indigent who receive services are required to make an up front payment of \$100 to \$200 to offset the cost of the legal defense. The State is also required to provide legal representation for persons refusing to hire their own attorney. Nonindigent persons who use the Program must repay the State for the entire cost of services, but rarely do so.	The Indigent Defense Program is historically underfunded because it is difficult to predict the number or size of claims that will be received in a given year.	2,668.2	5,723.3	Adjusted appropriation for increased costs based on the most current information of the number of claims being filed. Reduced Indigent Defense costs due to the expansion of the Public Defender's Office.	5,983.4 2,928.3

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Regents - Tuition Replacement <i>Appropriation</i>	Tuition replacement is the appropriation to pay the debt service costs of academic revenue bonds. The bonds are sold when approved by the General Assembly to pay for certain buildings on the campuses of Regents institutions. The payments are "guaranteed" with tuition and fee revenues from the students attending the Regents universities.	Increased debt service on authorized Academic Revenue Bonds.	409.4	-78.6	Allows excess funds in FY 1996 to carryover into FY 1997.	-488.0
Iowa Communications Network - Revolving Fund <i>Appropriation</i>	Provided funding to the Iowa Communications Network for cash flow purposes. The Iowa Communications Network started operating as an enterprise fund in FY 1996.	One-time expenditure	-1,000.0	-1,000.0	No change recommended.	

FY 1997 BUILT-IN INCREASES OR DECREASES AND ANTICIPATED INCREASES OR DECREASES

(Dollars in Thousands)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 1997 vs. FY 1996 (4)	Gov. Rec FY 1997 vs. FY 1996 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
DHS Mental Health Institutes <i>Appropriation</i>	The four Mental Health Institutes provide inpatient treatment for approximately 400 persons with mental illness. The Department of Human Services is proposing to realign support and direct care staff to reduce overall staffing ratios and per diem rates. The Department is also proposing to reduce the capacity at Independence by 32 beds and to eliminate the chaplain, dentist, and dental assistance positions.	<ul style="list-style-type: none"> · Reduce population by 32 beds. · Realign staff to reduce ratios and per diem rates. 	-2,800.0	-3,040.0	Eliminates the Psychiatric Residency Program.	-240.0
DHS State Hospital Schools <i>Appropriation</i>	The two State Hospital Schools provide inpatient treatment for approximately 700 persons with mental retardation. The Department of Human Services is proposing to close two living units at each of the two institutions during FY 1997. The Department is also proposing to realign support and direct care staff at Woodward to reduce overall staffing ratios and per diem rates.	<ul style="list-style-type: none"> · Reduce population by 60 beds. · Realign staff to reduce ratios and per diem rates. 	-4,000.0	-4,000.0	No change recommended.	

APPENDIX C



GLOSSARY OF BUDGET TERMS

Accrual: The basis of accounting under which revenues are recorded when earned and expenditures are recognized in the period in which benefit is derived. It provides for the matching of expense against related revenue.

Allocation: Funds and/or personnel which are apportioned or designated to a function, program, or activity.

Appropriation: A legislative allocation of money for a specific purpose.

75.0% Base Budgeting: A form of modified base budgeting used by the State of Iowa in which agency managers assume for budgeting purposes that 75.0% of the current appropriation becomes the base for the next fiscal year's budget.

Budget Unit: A predetermined grouping of one or more organizations that indicates an individual entity within a department. There may be one or more budget units within a department. A budget unit generally equals an appropriation made by the General Assembly.

Budgeting for Results: This form of budgeting is developed by defining the desired outcomes or results of a program, establishing the cost of a unit of service or set of services necessary to achieve those outcomes, and determining how many units of the desired outcomes can be achieved with the requested level of funding. Then resources are allocated based on the performance expected.

Capital Appropriation: An appropriation for long term additions to, or betterment of state property, such as land, buildings, or equipment.

Cost-Of-Living Adjustment (COLA): An annual increase made in the personal services line-item at the start of the fiscal year to take account of increases in the cost-of-living. The adjustment is determined through the collective bargaining process.

Decision Package: An individual request for funding made by a department for personnel, services, equipment, capitals, or other items. Decision packages are either requests to return the budget to 100% of the previous year's appropriation from the 75.0% base budget, or new requests for funding, over and above the previous year's appropriation. Decision packages are normally listed in priority order for each budget unit.



Electronic Publishing of Information: A project to provide electronic access to information produced or provided by the Legislative Fiscal Bureau.

Estimated Revenues: A projection compiled by the Revenue Estimating Conference for General Fund receipts.

Expenditures: Disbursements and payables for services rendered and goods received including authorized encumbrances for a specific period.

Estimated Expenditures: A projection compiled according to legislative action, adjusted for salary, cost-of-living, and merit increases.

Fiscal Year (FY): The 12 month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The fiscal year of the State of Iowa is July 1 to June 30.

Full-Time Equivalent (FTE) Positions: One full-time equivalent position represents 2,080 working hours, which is the regular number of hours one full-time person works in one fiscal year.

General Fund: The fiscal entity whose receipts are not earmarked for dedicated purposes and which supports the general functions of state government.

Generally Accepted Accounting Principles (GAAP): A method of accounting approved by the Governmental Accounting Standards Board.

Goals: A broad statement of purpose or intended achievement as established by policy makers or program administrators.

Grants and Aids: State money that passes through state departments for local needs.

Item-veto: The action by the Governor voiding a section of an appropriation bill.

Line-item: A term to describe funds requested and/or appropriated on a detailed or itemized basis (personal services, travel, equipment, or other items).

Merit Increase: The normal pay increase granted at the time of an employee's review date. Currently, a merit increase is the equivalent of one merit step or approximately 4.0% of the employee's salary.

New/Expanded Programs: Departmental requests that are above and beyond current operations of the department.

Objective: A specific statement of intent or action that serves to achieve a stated goal.

Operations: An appropriation of funds for the performance of the normal functions of a department or a division.

Organization: A responsibility center within the management structure of a department.

Performance Measures: Criteria used to assess progress toward objectives in the implementation of a program.

Reversion: Following the close of a fiscal year, all unencumbered or unobligated balances revert to the State treasury and to the credit of the fund from which the appropriation was made.

Standing Limited Appropriation: An appropriation of a specific dollar amount established by the Code of Iowa. An example is the Indian Settlement Officer, Section 331.60, Code of Iowa: "There is appropriated annually from the General Fund of the State to the County of Tama the sum of three-thousand, three-hundred, sixty-five dollars to be used by the County only for the payment . . .".

Standing Unlimited Appropriation: An appropriation made by statute, but no dollar amount is mentioned in the Code of Iowa. An example reads as follows: "There is hereby appropriated out of any funds in the State treasury not otherwise appropriated a sum sufficient to pay for . . .".

Supplemental Appropriation: Additional funds appropriated for the current fiscal year in addition to the original appropriation.

APPENDIX D

ISSUE REVIEW SERIES

As part of the continuing effort to provide legislative oversight, the staff of the Legislative Fiscal Bureau (LFB) monitors a variety of issues that develop in state agencies. Many of the issues are reported through the *Fiscal Update* newsletter, but some require more detailed review to present sufficient information and some may require legislative action. To meet the need, the LFB developed an *Issue Review* series in 1992, which presents selected issues to members of the General Assembly and the Fiscal Committee. Where appropriate, each paper contains a specific issue topic, a brief background on information related to the topic, the current situation, affected agencies, Code of Iowa authority, alternatives the General Assembly may wish to consider, and budgetary impacts.

The following *Issue Reviews* have been distributed during the 1995 Interim and are available from the LFB (listed alphabetically).



- Background Information on Possible Incentives to Encourage Registration of Child Care Providers
- Benefits for Iowa Veterans
- Board of Regents Real Property Leases
- Board of Regents Real Property Ownership
- Community Colleges - An Overview of Funding and Enrollment
- Community Health Management Information System Update
- County Budgeting Under Property Tax Limitation
- Crime Bills From the 1995 Legislative Session
- Departmental Plans for Use of FY 1995 Reversions
- Iowa Communications Network Part III Implementation
- Outcome-Based Performance Budgeting
- Payment Processes for Interagency Services
- Prison Education Programs
- Prison and Community-Based Corrections Construction
- Rebuild Iowa Infrastructure Fund
- Road Use Tax Fund Update
- Statewide Indirect Cost Allocation Plan
- Status of the Unemployment Compensation Trust Fund
- Substance Abuse Managed Care Contract Status Update
- Summary of Regents Bonding
- The FY 1996 Mandates of the Commission of Veterans Affairs
- The Iowa Inheritance Tax and Elderly Migration
- The Revenue Enhancement Program at the Iowa Veterans Home - An Update
- Update on Managed Mental Health Care
- Update on Motorcycle Helmet Transfer Funds and Motorcycle Education
- Update on Riverboat, Pari-Mutuel, and Slot Machine Operations
- Update on the Status of the CEBA Program
- Update on the Value-Added Agricultural Products and Processes Financial Assistance Program
- Update on Trust Fund Transfer Status
- Update on Unpaid Fines, Fees & Court Costs
- Use of Vacation and Sick Leave by State Employees
- Welfare Reform Update

In addition to the *Issue Review* series, the LFB staff have provided the following informational memorandums to the Fiscal Committee:

- Estimated General Fund Expenditure Increases and Decreases ("built-ins")
- Information Management Coordinator Position in the Department of Management
- Innovations Fund Update
- Medical Assistance Expenditures
- Medical Assistance Program Reversions
- Monthly Revenue Update
- Monthly Update of Appropriation Transfers
- Monthly Update of Federal Funds Status
- Monthly Update of Lease Purchase Notifications
- Monthly Update of the Iowa Communications Network
- Summary Report on State Indebtedness
- Update on Privatization Efforts and Information Technology Assessment and Evaluation

The LFB also organized and coordinated the following visitations by the Fiscal Committee:

1. Women's Correctional Institution in Mitchellville on July 26, 1995, to review use of a \$100,000 appropriation for a visitation room and to tour the facility.
2. State University of Iowa at Iowa City on August 22, 1995, to review fire and environmental safety, and deferred maintenance needs.
3. University of Northern Iowa at Cedar Falls on September 27, 1995, to tour the campus with the fire marshal inspector and university officials to view fire and environmental safety, and deferred maintenance needs

APPENDIX E

ELECTRONIC PUBLISHING OF INFORMATION

The Legislative Fiscal Bureau (LFB) has started a project containing a series of computer programs to allow legislators and legislative staff on-line access to LFB information. The information which is available includes:

1. A LFB staff directory with access to electronic mail, Committee and Subcommittee assignments, and a searchable subject index.
2. Financial information including:
 - A. Appropriations Tracking - Viewing of appropriations status and amounts.
 - B. Balance Sheet - Viewing the most recent and past balance sheets.
 - C. Taxes and Receipts - Viewing of daily and historical revenue information.
 - D. Monthly Revenue Memo - Viewing of the Monthly Revenue Memo issued the first of each month.
3. Miscellaneous Information and Publications, including:
 - A. Searching and viewing of the Fiscal Update (the weekly LFB newsletter) and Issue Reviews published by the LFB.
 - B. Accessing an electronic version of the State Employee Salary Book. The program provides electronic searching capabilities.
 - C. Viewing a repository of miscellaneous information created by the LFB including on-going reports and information.
 - D. Accessing the Department Budget Requests and Governor's Budget Recommendations analysis created by the LFB.
 - E. Viewing the LFB Factbook, which is statistical summary information.
4. Fiscal Notes and Bill Summaries:
 - A. Viewing the executive summaries of Notes on Bills and Amendments (NOBA).

- B. The Fiscal Note System - Accessing the status of written and pending fiscal notes, displaying filed fiscal notes, and viewing a historical index of fiscal notes from past sessions.

Each computer program has a help file which is intended to assist the user in running each of the programs.

The LFB Electronic Publishing of Information operates in the Designer Workbench Mapper mainframe program. Please type the word "Fiscal" and the user will have access to the introductory menu. The button "Fiscal" in the main Computer Support Bureau program "Genmenu" will access the user to the LFB area.



The Legislative Fiscal Bureau has developed a logo to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.

The LFB is continuing development of the Electronic Publishing system during the session and the coming interim. If you have any suggestions or if questions or problems develop with the computer run or information, please do not hesitate to contact the LFB.

APPENDIX F

STAFF LISTING



LEGISLATIVE FISCAL BUREAU

Dennis C. Prouty, Director
Capitol, Second Floor
281-5279

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ADMINISTRATION & REGULATION			
Ethics & Campaign Finance Disclosure	Leah Churchman	281-7846	Lucas - Room G23
General Services			
Inspections & Appeals			
Revenue and Finance			
State/Federal Relations			
Treasurer			
Auditor	Valerie Thacker	281-5270	Lucas - Room G23
Commerce			
Governor			
Management			
Personnel			
Secretary of State			

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State Fair Authority			
Iowa Family Farm Development Authority	Darlene Kruse	281-6256	Lucas - Room G23
Natural Resources			
ECONOMIC DEVELOPMENT			
Economic Development	Jeff Robinson	281-6767	Lucas - Room G23
Employment Services			
Iowa Finance Authority			
Iowa Seed Capital Corporation			
Public Employment Relations Board			
Wallace Technology			
Workforce Development			
EDUCATION			
Board of Regents	Sue Lerdal	281-7794	Capitol - Room 217
College Aid Commission			
Cultural Affairs	Mary Shipman	281-4617	Capitol - Room 17
Education			
Iowa Telecommunications & Technology			
HEALTH & HUMAN RIGHTS			
Blind	Bob Snyder	281-4614	Capitol - Room 217
Civil Rights			
Elder Affairs			
Veterans Affairs			
Governor's Alliance on Substance Abuse	Margaret Buckton	281-7942	Lucas - Room G23
Human Rights			
Public Health			
HUMAN SERVICES			
County Based Services	Jon Neiderbach	281-6301	Lucas - Room G23
Foster Care			
General Administration			

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
HUMAN SERVICES (Continued)			
Institutions Mental Health/Mental Retardation/Developmental Disabilities Enhanced Services Social Services Block Grant	Jon Neiderbach	281-6301	Lucas - Room G23
Family Investment Program, Promise Jobs, Food Stamps Child Support Recovery Field Operations Medical Services	Larry Sigel	281-6764	Lucas - Room G23
JUSTICE SYSTEM			
Corrections Iowa Law Enforcement Academy Parole Board Public Defense	Dwayne Ferguson	281-6561	Lucas - Room G23
Indigent Defense Judicial Department Justice Department Public Safety	Paige Piper/Bach	281-4613	Lucas - Room G23
OVERSIGHT, AUDIT & GOVERNMENT REFORM	Douglas Wulf	281-3250	Lucas - Room G23
TRANSPORTATION, INFRASTRUCTURE, & CAPITALS			
Capitals Transportation	David Reynolds	281-6934	Lucas - Room G23
WAYS AND MEANS			
Standing Committees	Jon Muller Jon Studer	281-4611 281-7799	Capitol - Room 217 Capitol - Room 217
EDUCATION STANDING COMMITTEES			
School Finance and Education Standing Issues	Jon Studer Mary Shipman	281-7799 281-4617	Capitol - Room 217 Capitol - Room 17

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